

Personal Finance in the Schools: What good is a dollar if you do not know how to use it

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Abstract

This article is pro-personal finance and money management being taught in K-12 schools. Many citizens lack the financial knowledge and skills necessary to navigate their personal finances. Experts are now calling on schools to fill the knowledge gap. Legislature, in some states, require personal financial management be taught in K-12 classrooms. This article presents the problems of poor money management, reasons for personal finance, why it is not being taught, where we are now in the teaching of personal finance. The article concludes with what should be taught and how it should be taught along with suggestions for mitigating the reasons for not teaching.

Key Words: Economics, Education K-12, Finance, Financial education, financial literacy, Personal financial management, Financial products, Money management,

Introduction

Money, Money, Money

I work all night, I work all day to pay the bills I have to pay

Ain't it sad?

And still there never seems to be a single penny left for me

That's too bad

In my dreams I have a plan

Song by ABBA

Money makes the world go around

The world go around

The world go around

Money makes the world go around

It makes the world go 'round.

A mark, a yen, a buck or a pound

A buck or a yen

A buck or a pound.

Is all that makes the world go around

Songwriters: John Kander, Fred Ebb. Sung by Liza Minnelli

The authors thought a little music to introduce what some believe is taboo, dry, boring, yet when it comes to money matters, what you don't know can hurt you would be welcomed.

Do you use checking, payment, savings, credit, and risk management products? Do you have an account at a bank or other financial institution— or with a mobile money service provider? These are important first step to participation in the financial system. When did you learn how to use them? Who taught you or did you end up just ... learning from your mistakes? The bottom line to live the life you want to live; you need to understand how to manage money. According to Weiss (2023) poor financial health is due to a lack of education. It's considered a knowledge problem. Financial literacy skills are important for people who budget, use payment, savings, credit, and risk-management products among many other aspects of money.

By the numbers

A report from the National Financial Educators Council shows that 38% of individuals in a recent survey said their lack of financial literacy cost them at least \$500 in 2022, including 15% who said it set them back by \$10,000 or more. That's up from about 11% in 2021 (O'Brien, 2023).

Lack of financial literacy cost 15% of adults at least \$10,000 in 2022. Here's how the rest fared. The share of people who said not being financially literate cost them more than \$10,000 is up from 11% in 2021, according to a new report. Most respondents say it cost them under \$500, if at all (O'Brien, 2023).

Ramsey Solutions (2023) provides some percentages regarding where citizens are today in personal finance:

- 78% of Americans feel like they live paycheck to paycheck.
- 1 in 4 workers never save any money from month to month.
- 36% of Americans said they wouldn't be able to cover a \$400 emergency.
- 62% of college graduates in 2019 owed an average of \$28,950 in student loans.

Americans' total credit card balance is \$1.031 trillion in the second quarter of 2023, according to the latest consumer debt data from the Federal Reserve Bank (Schulz, 2023).

Low adult literacy costs U.S. \$2.2 trillion a year (Barbara Bush Foundation for Family Literacy, 2020). A lack of financial knowledge cost each American \$1,819 in 2022 (Backman, 2023). The market size of the credit repair services industry in the US is \$4.4 billion (Nikolovska, 2023).

Divorce.com staff (2023) found that Money disagreements (40%) were the cause of divorces while PsychCentral (2023) found financial problems (28.4%) were the cause of divorces. Regardless of which statistic you use unresolved financial challenges and having a hard time making ends meet or having a partner who overextends spending are the major causes of divorce.

Whether you use the term “personal financial management education”, money management, or use “financial literacy” the author will use financial literacy for this article. Financial illiteracy is an increasingly large problem in the United States, a fact especially true for minority groups in lower socioeconomic classes. According to a recent survey conducted by Standard & Poor’s, only 57% of U.S. adults are financially literate. This was measured by those exhibiting knowledge across the following four basic financial concepts: risk diversification, numeracy, inflation, and compound interest (Brock, 2022).

Another measurement by 2022 TIAA Institute-GFLEC Personal Finance index, had adults correctly answer, on average, 50% of the 28 basic money questions in the the sixth annual barometer of financial literacy. Twenty-three percent (23%) of respondents couldn’t correctly answer more than seven. is higher than it’s been than any other year in the survey (Hasler, Lusardi, & Yakoboski, 2023).

The lack of knowledge can affect everything from how much you save — whether for emergencies or the long term (i.e., retirement) — to how much debt you take on and under what terms. Some important financial decisions can emerge before you reach adulthood or soon after. To name just a few: deciding how to pay for college, managing a credit card or auto loan, boosting your credit score, paying taxes, and starting to save for retirement despite it being decades away.

Financial literacy affects every area of your life. The sooner kids understand these concepts, the better, especially if they come from backgrounds with families who don’t prioritize financial literacy. Over time, financial illiteracy can lead to problems like poor spending habits and unmanageable debt. It’s harder to unlearn negative habits than it is to learn new ones, so these classes will, in theory, set the younger generation on a path to resilient financial health (Camberato, 2022).

Financial literacy and money management effects every area of your life—both for better and worse. Studies have shown a link between financial instability and mental health problems, like anxiety and depression. Financial worries are the number one stressor in many people’s lives. Individuals with high financial stress often report compromised immune systems, digestive issues, high blood pressure and other health problems (Camberato, 2022).

When you’re financially literate, you’re better able to manage the ups and downs of life as they happen—your physical health, mental health, and relationships will be better off as a result (all4kids.org (2019).

Why is finance important?

Finance is important for the proper functioning and growth of any entity, including an individual, business, or nation. Finance helps an entity meet its goals with the optimal use of its resources and wise decisions. Conversely, a disregard for financial planning or money management can lead an entity to unpredictable difficulties that can cause severe negative impacts (Vaidya, 2023).

Many users of financial products lack financial skills. Yet access to financial services is not an end in itself. Rather, it is a means to an end. When people have financial accounts and credit, they are more able to provide for their families, save money for the future, and survive economic shocks. But people who lack the knowledge to effectively use such services can face financial disaster, such as high debt or bankruptcy (Klapper, Lusardi, & von Oudheusden, 2023).

Personal finance education is important. Everyone agrees that managing personal finances is an important life skill that, used properly, can result in a more comfortable life, and avoid much grief.

Definitions

Finance

Finance is a broad subject, and it can get overwhelming along the way. While people tend to think of finance in terms of money, finance is about more than cash. While money is a legal tender used for many financial transactions, finance refers banking, leverage or debt, credit, capital markets, asset allocation, money, investments, and developing a cash flow forecast for your business, keeping money in a high-interest savings account, and creating budgets and financial models (Berry-Johnson, 2023; Burk, 2023; Ramsey Solutions, 2023; Vaidya, 2023).

Finance is how an individual or an organization manages its financial resources in term for matters regarding the management, creation, and study of money and investments. It involves the use of credit and debt, securities, spending, investing, borrowing, lending, budgeting, saving, and forecasting (Berry-Johnson, 2023; Ramsey Solutions, 2023; Vaidya, 2023).

Burk (2023) defines finance as money management and the process of acquiring needed funds. Finance also encompasses the oversight, creation, and study of money, banking, credit, investments, assets, and liabilities that make up financial systems.

The author sees finance in the simplest of terms as having a dollar, how did you make it, how will you budget, save, spend, and grow it.

The 3 Types of Finance

Finance is an all-encompassing term that covers resource and money management for individuals, public institutions, and businesses. All three play a huge role in our personal lives.

Personal Finance

Personal finance is very specific to everyone's unique financial setting depending on their annual earnings or salaries, living requirements and expenses, goals, and lifestyle preferences. This requires you to manage, save, and invest one's money (Berry-Johnson, 2023; Kenton, 2022; Vaidya, 2023).

Personal finance is managing an individual's monetary resources across five key areas: Income, savings, investments, spending decisions, and asset protection. A personal financial system involves generational wealth transfer, taking advantage of tax planning opportunities, filing tax returns, using credit cards, and buying, selling, and managing assets. All these activities require budgeting, saving, investing, and strategizing tailored to one's specific needs in the short, medium, or long term given a person's current financial constraints and abilities (Berry-Johnson, 2023; Kenton, 2022; Vaidya, 2023).

Personal finance is an evolving process as one ages. However, that evolution requires you at an early age to plan for retirement, which makes saving and investing during your work-life critical. While you're at it don't forget buying a car, education for you, marriage, getting a mortgage, kids, and their education and insurance just to name a few milestones in your personal finance life.

Public Finance

Public finance refers to managing the government's activities related to budgeting, spending, deficits, and taxation. Like individuals, governments must allocate our taxpayer dollars to resources the different sectors of the economy. Public finance is how federal, state, and local institutions track revenue and manage expenses for all the services they provide to the public. Activities include taxation, government spending, budgeting, and any debt issuance (both to the government and from the government) and strategy to ensure the economy continues to stay afloat (Srivastav, 2023; Thapa, 2020; Vipond, 2023).

In the U.S., the Federal Reserve System (called "the Fed") creates all monetary policies to help the U.S. economy. It does this by managing inflation, reducing unemployment rates, and stabilizing interest rates in a changing economy and market. In addition, the Fed works to stabilize the economy and the financial system by supervising the largest private banks. They also provide various financial services to the U.S. government (Vaidya, 2023).

Corporate Finance

Corporate finance is all financial activities for a business. Corporate finance affects our job and the companies we consume from, and business setting, it handles acquiring funds for the business, managing existing funds, planning how to spend funds in the future, and making a profit. The goal corporate finance is to make intelligent investment decisions and build a safety net and meet their goals without taking on too many debt obligations. Corporate finance is typically a department but can occasionally be rolled up into accounting, investments, or general management. Financial activities for a business would include budgeting current capital, capital for future capital improvements, funding and refinancing projects, and assets to ensure that the company has the best deal possible in the current market.

Corporate finance also includes finding ways to raise additional funds, which could be through bond issues, finance offerings, or new investors (CFI Team, 2023; Damodaran Online, 2023; Vaidya, 2023; Wallstreetmojo Team, 2023).

Financial literacy

Financial literacy is the knowledge and understanding of key financial skills – income, budgeting, saving, and investing, as well as how interest rates work and why credit scores matter and retirement planning -- and the ability to put them to use in your life and affairs (O'Brien, 2023; Rosenfeld, 2022).

Economics

Economics is the study of scarcity and its implications for the use of resources, production of goods and services, growth of production and welfare over time, and a great variety of other complex issues of vital concern to society (Department of Economics, 2023).

Economic reasoning can be used to make decisions in all areas of life, but especially when making personal finance decisions. In fact, personal finance can be viewed as the application of the economic way of thinking to everyday decisions. *Economics and personal finance are complements, not substitutes* (Suiter, Wolla, & Levin, 2022).

Economic education/financial literacy is the integration of various factors relating to personal financial management including understanding financial institutions; using money; learning to manage personal assets and liabilities; creating budgets; and any other factors that may assist an individual in this ... (Bruce, 2023).

Economics is divided into two parts: **Microeconomics and Macroeconomics**.

Microeconomics is personal.

Microeconomics studies the implications of individual human action and is key to a person's financial health. Achieving the most satisfactory allocation (cost benefits analysis) of one's resources is crucial and studying allocation problems improves one's ability to make both daily and life-long decisions (Department of Economics, 2023).

Macroeconomics is universal.

Macroeconomics studies how the economy behaves, including inflation, price levels, rate of growth, national income, gross domestic product and changes in employment rates (Department of Economics, 2023).

Money

Money is a part of finance. Finance is a broader concept that includes the management, creation, and study of money. The money includes cash and cash equivalents that are readily available for use. Money is a commodity accepted by general consent as a medium of economic exchange. It is legal tender. It is used as a measure for which prices and values are expressed. It moves from person to person and country to country to facilitate business/compensation/trade. Money is the principal measure of wealth (Britannica, 2023).

Finance and Accounting

Accounting deals with the day-to-day financial activities of an entity or a system. Finance is the term used to refer to the entity's overall plan or scheme to utilize its resources productively. Accounting gives one a glimpse about the entity's short-term cash flow, while the other covers the broader aspects of budgeting, setting goals, and long-term plans (Vaidya, 2023).

Why Financial Education Matters

With mixed results from personal finance programs in high schools, is all the effort worthwhile? The answer is **YES**.

Once a student graduates' high school and is thrown into the real world, he/she has great financial responsibilities. Whether they become full-time college students or enter the workforce, young adults will have to navigate through crucial financial decisions that can impact the rest of their lives (Texas Education Agency, 2023).

However, before we get into finances after graduation for high school the authors would like to talk about your life with your parents. The life you had with them, and your future revolved around the cost of living.

Cost of Living and Lifestyle

Cost of living is the amount of money you might pay to cover basic expenses for a reasonable lifestyle in a particular city (Herity, 2022). Factors to consider when calculating cost of living include housing, groceries, clothing, education, health care, transportation, taxes, and additional expenses such as getting a haircut or going to a movie (Banton, 2023a; Herity, 2022).

The cost of living is often used to compare how expensive it is to live in one city versus another. The cost of living is tied to wages. If expenses are higher in a city, such as Chicago, for example, salary levels must be higher so that people can afford to live in that city (Banton, 2023a).

The cost of living can be a significant factor in personal wealth accumulation because a salary can provide a higher standard of living in a city where daily expenses such as rent, food and entertainment are less. In contrast, a high salary can seem insufficient in an expensive city such as Fort Lauderdale. The average price of a gallon of milk in Raleigh, North Carolina, is \$3.31, but that same gallon of milk will cost you \$4.04 in Fort Lauderdale, Florida. Rent in Fort Lauderdale is almost 50% higher compared to Raleigh. If you're offered a job with offices in Raleigh and Fort Lauderdale, you may choose to go to Raleigh because your dollars will go further there (Zinn, 2021).

Another example is San Diego where the cost of housing is 122% above the national average, and the cost of transportation is over 32% higher than the national average (Banton, 2023a).

The Cost of Living Index

The cost of living index compares the cost of living in a major city to a corresponding metropolitan area. The index weighs employment alternatives and currently employed job seekers consider relocation, the index provides an informative snapshot of rental, transportation, and grocery costs (Banton, 2023a).

Cost of Living and Wages

The rising cost of living has will affect those living at home and wanting a part time job or looking for a first job. Cost of living is spurring debate over the U.S. federal minimum wage and the disparity between the lowest salary allowed by law and the earnings needed to maintain an adequate cost of living (Banton, 2023a).

Credit Card Debt

Credit card debt is a type of revolving debt. You can keep borrowing month after month as long as you repay enough that you never owe more than your credit limit. Credit card accounts can be used indefinitely, unlike installment loan accounts that are closed once the balance is paid off (Wrenn, 2022).

Americans carried a balance on 56% of all active credit card accounts in the third quarter of 2022, amounting to credit card debt of 1,031,000,000.00 (data from the American Bankers Association (as cited in Schulz, & Shepard, 2023)

Credit card debt is a growing problem in our country, with a recent report finding that roughly 14 million Americans have over \$10,000 in credit card debt. A 2021 survey of credit card users reported that 15% of respondents have been carrying a monthly credit card balance since before 2006 (Brock, 2022).

Many people accumulate excessive credit card debt because they do not maintain a household budget. As a result, they do not understand their finances, and they lack a mechanism to encourage discipline. This can lead to a carefree attitude toward spending and the liberal use of credit to make ill-advised purchases. Unfortunately, it doesn't take long for high-interest debt to cripple you financially (Brock, 2022).

The average credit card interest rate is 27.99%, according to Forbes Advisor's weekly credit card rates report (as cited in Black, & Frankel, 2023). For all credit cards, the average APR in the second quarter of 2023 was 20.68%. For cards accruing interest, the average in the second quarter of 2023 was 22.16%. For new credit card offers, the average today is 24.37% — the highest since 2019 (Schulz, & Shepard, 2023).

Credit card APRs can vary widely based on a number of factors, from your credit score to your debt-to-income, etc. (Black, & Frankel, 2023). Consumers looking to pay off credit card debt quickly have a few options. If your credit card charges high interest rates, you might be able to transfer your balance to a card with an interest rate that's lower than you're paying now or even 0% for the introductory period. Personal loans are another useful strategy, as they also tend to offer much lower interest rates than credit cards. No matter which route you choose, curbing overspending is paramount (Brock, 2022).

Disadvantages of Credit Card Debt

Contrary to popular belief, carrying credit card debt does *not* improve your credit score. Using credit wisely improves your score. This means charging only what you can afford to pay off each month, making on-time payments, and keeping your balances as close to zero as possible (Wrenn, 2022).

Without financial knowledge young adults may have to live with the consequences of their mistakes for a long time. Credit can take years to repair, and student loan debt is dogging some graduates for decades.

Debt

Debt management stands as a critical component of financial stability for individuals and expand economic health. The proliferation of consumer credit options (diverse financial products) has led to a surge in consumer debt. Understanding the mechanisms of debt accumulation and employing informed repayment strategies are critical to mitigating the harmful effects of debt burden (Smith & Johnson, 2019; Williams & Brown, 2020).

Financial literacy plays a key role in understanding borrowing and repayment decisions (Garcia, Smith, & Johnson, 2021). Effective debt management strategies enable individuals to navigate the complexities of borrowing while maintaining fiscal health.

Garcia et al. (2021) underscore the significance of in empowering individuals to make informed decisions regarding borrowing and repayment, emphasizing its positive correlation with effective debt management practices.

Understanding the mechanisms of debt accumulation and employing prudent strategies for repayment is critical in mitigating the adverse effects of debt burden. Debt management programs offering counseling and education, contributing significantly to debt reduction, and enhanced financial outcomes (Lee & Miller, 2018; Williams & Brown, 2020).

Collins and Lee (2019) states introducing financial literacy, including debt management in grades K-12 lays the groundwork for accountable financial habits and empowers young individuals to navigate future financial challenges fostering a sense of financial responsibility and encourages important financial behaviors later in life.

Car Repossession

There are many types of debt. Some debts can be a double hit. Purchasing a car or house through a loan or mortgage for more than you can afford and not paying according to your payment plan (debt) you lose what you have invested (down payment) and damaged your credit.

TransUnion expects around 28.8 million U.S. auto loans to be originated in 2023, up around 5% from 2022 with Americans owing \$1.52 trillion in auto loan which accounts for 9.2% of American consumer debt. In 2017, repossessions totaled 1.8 million units with 2.2 million vehicles currently repossessed every year (Cudd, 2023).

When you borrow money to buy a car—or if you lease a car—you don't own the vehicle "free and clear." You get to drive the car, but your lender can take it away through "repossession" if you stop making payments (Lipowitz, 2021; Pritchard, 2021).

The lender doesn't have to wait for you to get caught up on your payment. If you fall behind and can't redeem the loan, it can repossess the car (take it back) after the first missed payment and sell it at auction. When the car is sold at auction the money is put toward the balance of the loan. However, if there is still money due YOU still will need to continue paying off the remainder of the loan (Lipowitz, 2021; Pritchard, 2021).

In addition to losing the car, your credit will suffer, and you'll probably owe significant fees. Repossession, whether you eventually get the car back or not, shows up on your credit reports for seven years and can lead to lower credit scores (Pritchard, 2021).

Mortgage Foreclosure

No one ever wants to think about losing their home. Foreclosure is the legal process by which a lender attempts to recover the amount owed on a defaulted loan repossesses ownership of the mortgaged property and selling it (Arthur, 2018; Chen, 2022; Richardson, 2023).

Typically, default is triggered when a borrower misses a specific number of monthly payments, but it can also happen when the borrower fails to meet other terms in the mortgage document (Chen, 2022).

Unlike credit card debt, which is an unsecured loan, a mortgage is a real estate secured loan, meaning your home is used as collateral. That's what allows your lender to start foreclosure proceedings if you miss multiple payments (Arthur, 2018; Richardson, 2023).

The lender sends a notice of default after 90 days of missed payments. The loan is handed over to the lender's foreclosure department, and the borrower typically has another 30 days to settle the payments and reinstate the loan (this is called the reinstatement period). At the end of the reinstatement period, the lender will begin to foreclose if the homeowner has not made up the missed payments (Chen, 2022).

The actual act of a lender seizing the property during foreclosure only happens after the lender has performed loss mitigation efforts with the borrower, such as analyzing short term repayment plans, loan modifications, forbearance, short sale, or refinance alternatives to foreclosure (Arthur, 2018).

After a home is foreclosed upon, the residents of the house may be issued a notice to quit letter or other warning to vacate the premises (eviction). If the residents do not leave and ignore an eviction notice, they can be sued (Richardson, 2023).

The foreclosure process varies by state, but in general, lenders try to work with borrowers to get them caught up on payments and avoid foreclosure. The most recent national average number of days for the foreclosure process is 857 (Chen, 2022).

A foreclosure is considered a very negative event on your credit report appears within a month or two and will remain on it for seven years after the date of your first missed mortgage payment. The number of points by which a foreclosure will impact your credit score varies depending on your credit history. The hit your credit takes from a foreclosure can impair your ability to purchase or even rent a home again (Chen, 2022; Richardson, 2023).

Student Loan Debt

Higher education provides students many socioeconomic benefits and increases the global competitiveness of the United States, but mounting student loan debt has sparked a debate over federal lending policies (CFR.org Editors, 2023).

Tuition costs at public four-year colleges is \$10,740 and \$38,070 at private nonprofit institutions (adjusted for inflation). These figures are for ONE YEAR. As costs have risen, so has the need for student loans and other forms of financial aid (Hahn, (2023).

The national average balance of federal student loan borrowers is \$35,210. As of March 2023, about forty-four million U.S. borrowers collectively owed more than \$1.6 trillion in federal student loans. Additional private loans bring that total to above \$1.7 trillion, surpassing auto loans and credit card debt. Only home mortgage debt, at about \$12 trillion, is larger (CFR.org Editors, 2023).

In 2022, almost two-thirds of recent high school graduates were enrolled, and most took out student loans (CFR.org Editors, 2023; Hahn, 2023). While the majority of students graduate with less than \$20,000 in debt, with average of \$28,950 and a small portion of borrowers hold an outsize share of student debt. More than one-third of the total debt is held by the seven percent of borrowers who owe more than \$100,000 (CFR.org Editors, 2023; Hahn, 2023).

A benefit of financial literacy courses is that students enter college with a better understanding of how their loans work. Financial literacy classes can teach kids how to fill out the Free Application for Student Aid (FAFSA), utilize federal grants and apply for scholarships. They'll also explain the difference between federal and private loans, the cost-benefit analysis of each option and why federal loans are a better option for most people (Camberato, 2022).

Debt levels should create a sense of urgency. Americans owe over \$1 trillion in credit card debt and car loan debt. They owe more than \$1.6 trillion in student loan debt and \$10 trillion in residential mortgages (Barrington, 2023).

It is essential to teach people how to figure out how much debt they can afford, how to get the best terms on their debt, and when refinancing makes sense. Everyone needs to understand the consequences of not keeping up with debt payments.

Pension, or the lack thereof

Changes in the pension landscape transfer decision-making responsibility to participants who previously relied on their employers or governments for their financial security after retirement. Employees have seen a dramatic shift from pension plans to 401(k) plans.

Pensions have been offered in the U.S. since as far back as the Revolutionary War, but they didn't become widely offered until the mid-20th century (Phipps, 2021).

- When some pension plans began to fail, Congress passed a law called the Employee Retirement Income Security Act (ERISA), which would still guarantee employee benefits if a pension plan were to fail (Phipps, 2021).
- Guaranteed pension plans, also called "defined-benefits plans," are still offered by some companies, but 401(k)s and other forms of retirement plans have become the plans of choice for many companies in current times (Phipps, 2021).

The Employee Retirement Income Security Act of 1974, or ERISA, protects the assets of millions of Americans so that funds placed in retirement plans during their working lives will be there when they retire. ERISA is a federal law that sets minimum standards for retirement plans in private industry (U.S. Department of Labor, 2023).

Here's information about some of the most common retirement plan types:

- 401(k)
- 403(b)
- Solo 401(k)
- SIMPLE IRA (Savings Incentive Match Plan for Employees)
- SEP Plan (Simplified Employee Pension)
- Profit-Sharing Plan (PSP)
- Defined Benefit Plan (Pension Plan)
- Employee Stock Ownership Plan (ESOP)
- 457(b) Plan
- Federal Employees Retirement System (FERS)
- Cash-Balance Plan
- Nonqualified Deferred Compensation Plan (NQDC)
- Multiple Employer Plans
- Traditional Individual Retirement Accounts (IRAs)
- Roth IRAs
- Payroll Deduction IRAs
- Guaranteed Income Annuities (GIAs)
- Cash-Value Life Insurance Plan

One place to find what is involved in these plans is [Types of Retirement Plans and Which to Consider | SoFi](#)

There are retirement plans not offered by employers:

Retirement Plans Not Offered by Employers (Zeitlin, M. (2023))		
Type of Retirement Plan	Pro	Con
IRA	Contributions may be tax deductible	Penalty for withdrawing funds before age 59 ½
Roth IRA	Distributions are not taxed	Not available for individuals with high incomes
Payroll Deduction IRA	Automatically deposits money from your paycheck into the account	Participants can't borrow against the plan
Guaranteed Income Annuity	Not dependent on market performance	Expensive fees and commissions
Cash-Value Life Insurance Plan	Tax-deferred savings	May be able to withdraw money from the plan, but this will reduce death benefit

Stocks, bonds, ETFs, mutual funds, CDs, annuities that can be used for retirement. Long term you will need access to financial planning resources covering social security, Medicare, estate planning, tax efficiencies and more require a lawyer and fiduciary financial advisor.

In addition to those working for organizations that have retirement plans the rise of the gig economy means individuals must budget and save for healthcare and retirement themselves.

Interest

Interest is a term about money you pay to use someone else money or get paid for someone else using your money. An interest rate is the percentage of principal charged by the lender for the use of its money. The principal is the amount of money loaned (Amadeo, 2022; Banton, 2023b). Interest rates thus apply to most lending or borrowing transactions such as buying a car, purchasing homes, launching or funding businesses/projects, or paying for college tuition.

An interest rate is the percentage of principal charged by the lender for the use of its money. The principal is the amount of money loaned, deposited, or borrowed. The total interest on an amount depends on the principal, the interest rate, the compounding frequency, and the length of time. Interest rates affect the cost of loans and can influence the economy (Amadeo, 2022).

Consumers who fail to understand the concept of interest compounding spend more on transaction fees, run up bigger debts, and incur higher interest rates on loans (Lusardi & Tufano, 2015; Lusardi & de Bassa Scheresberg, 2013). Higher rates are charged to people considered risky; the higher your credit score, the lower the interest rate you will have to pay. They also end up borrowing more and saving less money (Barrington, 2023b; Klapper, Lusardi, & von Oudheusden, 2023).

The annual percentage yield (APY) is the interest rate that is earned at a bank or credit union from a Checking or savings account, certificate of deposit (CD), money market accounts, and other financial. APY can be calculated for different compounding frequencies, such as daily, monthly, quarterly, semi-annually, and annually products (Banton, 2023b; Wall Street Prep, 2023). Speaking of compounding knowing the difference between simple or compound interest is critical whether you are paying to use someone else money or get paid for someone else using your money.

Emergency Fund & Savings

The author earlier addressed credit, card debt, car repossession, and mortgage default and would now like to address emergency funds, the second major issue impacting Americans' financial wellness.

A key principle of financial wellness is building and maintaining an emergency fund. An emergency fund is an amount of money you set aside for emergencies. Having an emergency fund can safeguard your financial health by keeping you out of debt in the event of unexpected expenses (Brock, 2022; Pureza, & Vaidya, 2023).

Barely 40% of Americans will manage to pay for a sudden \$1,000 emergency using their savings, the rest of them will have to borrow funds in the face of a calamity. What are emergencies? As a guideline, you can tap into your emergency savings for unexpected, necessary, and urgent spending.¹ That includes:

- Living expenses after a job loss or pay cut
- Major car repairs after an accident
- Emergency home repairs
- Emergency, necessary medical expenses
- Unexpected, essential travel
- Mortgage payments due to loss of income
- Big losses in the financial market (Irby, 2022; Pureza, & Vaidya, 2023).

The burden of borrowing (which costs you money that you are already short on) can be averted many times by an emergency fund. The fund is an insurance policy, cheaper because you don't need to pay for the premiums (Pureza, & Vaidya, 2023).

Emergency fund should be invested in a savings/money market account with a low risk of market swings (except inflation). Unlike stocks or other volatile investments, your earnings may not be big with this fund, but the money is guaranteed to be there when you need it (Pureza, & Vaidya, 2023).

Liquidity

Liquidity is another essential aspect of this investment. The main goal is not necessarily to profit but to have a solution during a crisis. Because of this, assets such as bonds, for example, are a terrible pick. They take a long time to reach maturity, and the last thing you want is to have your emergency cash locked away (Pureza, & Vaidya, 2023).

Taxes

When buying a house or starting a business one of the key phrases you will hear is Location, location, location. Guess what, that also applies to taxes. You have federal, state, county/local (property and sales), education, and social security taxes. You have a job, and we say for illustration you make \$1.00. You are excited that you have a dollar to spend. When you get your paycheck, it is for \$0.70. What happened? Regardless of where you live you will pay federal income tax and social security. Location will decide the rest of your taxes. There are states that have income taxes and some that do not. All local entities (cities, villages, etc.) have percentages/scales of worth that determine how much you pay. An example is \$0.10 tax on a dollar spent. That may be divided into .05 to city .01 to county, and .04 to education.

More taxes, fees and licenses take more of your money. Did you know flushing your toilet cost you money. Sewer tax. That goes along with tax on your car and the cost of the license plate, 911 fee, and in NYC you pay to use certain city streets. Believe it or not, if a government or agency can find a way to get your money they will.

The consequences of poor financial knowledge are long-lasting. As you can see going blindly into adulthood and the workforce can be a challenge when dealing with credit scores, investing, and saving, making correct debt choices, and many other crucial decisions to build a strong financial future (Texas Education Agency, 2023).

Learning Financial Literacy

The author started this article with two questions. When did you learn how to use checking, payment, savings, credit, and risk management products?? Who taught you or did you end up just ... learning from your mistakes?

From the previous section the author has provided the pitfalls of learning personal finance by experience that can be expensive and have lasting effects than in the learning in the classroom.

Traditionally, people have gained knowledge about personal finances by experience. They started slowly and gradually made bigger financial decisions as they gained more experience. Today, though, when it is possible to get hundreds of thousands of dollars in debt before you leave college and credit offers are just a click away on any computer, people can't afford to wait to gain experience before learning about personal finance. The cost of making mistakes is just too high (Barrington, 2023).

Similarly doing business without money management skills can be costly. You can't run your business effectively without knowing how finance works and having a plan for how you'll spend the money you earn. Understanding money management helps small businesses coordinate financing activities, avoid bankruptcy, limit risks, and get the best possible returns on different investments (Berry-Johnson, 2023).

It is understood that financial education takes time to pay off. It is likely too soon to judge the results in terms of behavior of the general population. After all, most financial literacy requirements have only been put in place since the Great Recession. Positive near-term signs these students are making better decisions about financing college than students who have not had personal finance education (Barrington, 2023).

Financial literacy is an ongoing process that continues to evolve at different stages of life the world creates new resources such as digital currency, financial literacy is in continual change people have to make choices that will have some degree of financial impact. Being financially literate allows a person to use basic concepts to adapt to our ever-changing economy (Camberato, 2022; Texas Education Agency, 2023).

Schools and communities are starting to realize the importance of teaching students how to have the financial literacy necessary to thrive as young adults. Even teenagers who receive payment for their work are ready to start implementing financial concepts that will help them become responsible members of society (Texas Education Agency, 2023).

When you learn how money works at a young age, you'll have the necessary skills to make positive financial decisions as an adult. Let's look at four benefits of teaching financial literacy classes in schools (Camberato, 2022).

But taking a personal finance course before graduating high school makes a difference in how students view money and make financial decisions. The FINRA Foundation (as cited in Camberato, 2022) found that students with higher financial literacy were less likely to have Ramsey Solutions (2023) in their *Students and Money National Research Study*, we asked 76,000 students who took a personal finance course in high school some big money questions, and here's what we found out: 23% less likely to plan to use loans to pay for college.

- 87% feel confident about their ability to invest for the future.
- 3 times more likely to say they'd rather have \$500 cash in the bank instead of a smartphone.

A person who is financially literate has a higher potential to have a successful life founded on monetary stability. It is a skill that continues to evolve during one's lifetime and is considered helpful when acquired early in life.

Where are We NOW

Some states have personal finance requirements while others don't and, among states that do have personal finance requirements you have a kaleidoscope of requirements. The following chart (Chart 1) shows the states that and do not require personal finance coursework.

States requiring personal finance coursework

Alabama, Arizona, Arkansas, Georgia, Idaho, Iowa, Kentucky, Louisiana, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, South Carolina, Tennessee, Texas, Utah, and Virginia.

States that don't require personal finance coursework

Alaska, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Minnesota, Montana, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

Chart 1: Personal Finance Teaching Requirements (Barrington, 2023; Iasevoli, 2018; Lane, 2022; News Service of Florida, 2022; Ranzetta, 2023; Scribner, 2022)

Every state, and Washington, DC, has economics in their high school standards broadly understood. There are 25 states requiring economics for graduation, however, five states don't require the standards to be implemented. The standards can often be satisfied by incorporating some economics into a social studies class in, say, government or history (Lane, 2022; Taylor, 2022).

Then where are we now chart posed questions to the author ...

Why Is Financial Literacy NOT Taught?

What are the Barriers to successful implementation of financial and money management being taught in the schools?

Educators tasked with implementing personal financial management may encounter several barriers while attempting to do so. These barriers include:

There is no room in the curriculum.

Center for Excellence in Education (CEE) explains the struggle to get states to adopt such requirements: The biggest obstacle we hear is no room in the curriculum (Barrington, 2023). There's been a big emphasis in recent years on math and English/language arts, which are important. But with teachers focused on those areas, it's hard to make room for what schools would think of as electives (Iasevoli, 2018). The term elective for economics and personal finances is divorcing them from the core subjects that students need to learn.

Another point made is how can you teach taxes as one of the topics when in and of itself it could take a full semester to teach.

The Taboo Topic of Money is a taboo subject.

As children, we're taught to never discuss our personal finances. Money is a private issue — a taboo topic. You don't discuss your income, your investments, or your savings (Bruce, 2023). **Never. Talk. About. Money.** A mantra in education circles because financial education for children is the responsibility of the parents.

It may be hard to pinpoint the real reason personal finance isn't taught in schools, but the fact remains: **financial education for children is the responsibility of the parents** (Bruce, 2023). Therefore, kids know absolutely nothing about personal finance and money management.

Lack of preparation

The number one reason cited by many who have influence in the decision for teaching personal finance is we don't have enough instructors to teach finance (Lane, 2022; Texas Education Agency, 2023).

Because educators are the main facilitators of financial literacy curricula, it is imperative that they possess adequate content knowledge in this subject. Teachers were concerned with their content knowledge is understandable. How do you teach taxes which is a large part of the USA financial system? Federal tax deductions, 401(k) contributions, required minimum distributions (RMDs), social security, and other local taxes such as state income tax, sales tax, property taxes and the dual estate tax, play an important role in your financial life and planning (Kiplinger Retirement Report, 2023).

Barrington (2023) agrees that one of the biggest challenges is [finding] well-trained teachers but while teachers may want additional training when asked to implement a personal finance curriculum, legislatures usually pass unfunded mandates, meaning that the financial resources are not always there to support teacher professional development.

Inadequate resources (money, training, curriculum, teacher supplies, etc.)

Of course, not all the problems can be solved by the educators themselves. Education is up to the states, not the feds, and each state has different ideas of what a personal finance program proper resources are required (Bruce, 2023). Some states point to underfunding as a response to the question of why personal finance isn't taught in school, the education manages to fund STEM programs with expensive computers and lab equipment, but cannot find room in the budget for personal finance 101 course (National financial educators council, 2023b). Another aspect of inadequate resources is teachers struggling to gather personal finance information.

Teacher's perceptions of self-efficacy

Only one in five teachers feels qualified to lead a personal finance class (Bruce, 2023). This brings up an important question decision makers take into consideration: How are parents going to view personal finance being taught to their children?

Teachers play a vital role in shaping their students' beliefs concerning financial decision-making, perhaps influencing their financial behaviors more than even their parents. Therefore, educators must be practiced, prepared, and well-informed, with a keen understanding of the financial world and its many facets. Lack of preparation, inadequate resources, lack of administrative support are valid reasons for teacher's perceptions of self-efficacy.

Lack of administrative support

The most prominent reason is that educators have not recognized the need to teach about personal financing until now. One possible explanation is personal finance conditions aren't as dire in some states. States with the worst personal finance conditions might be the most driven to put personal finance education in place. Personal finance education core skills are seen as needed to succeed in our modern world might be more common in states with the biggest problems to address (Barrington, 2023; Texas Education Agency, 2023).

Another point made is personal finance isn't part of the ACT or SAT – if it's not tested it's not taught (Bruce, 2023; Texas Education Agency, 2023).

Difficulty measuring success/ Mixed results

Personal finance isn't part of the ACT or SAT – if it's not tested it's not taught (Bruce, 2023; Texas Education Agency, 2023). ACT/SAT are seen as the standard in assessment and if it's not tested inconsistent standards produce inconsistent results. Another possible explanation for the mixed results is some states have more effective programs than other and that's why results vary (Barrington, 2023).

Mixed results in terms of improving financial behavior is used to dismiss the value of these programs. Personal finance education isn't a quick fix. It can take time for educational programs to broadly affect behavior in the general population. Earlier the authors cited Camberato, 2022; Texas Education Agency, 2023 as stating financial literacy is an ongoing process that continues to evolve at different stages of life the world creates new resources such as digital currency, financial literacy is in continual change people must make choices that will have some degree of financial impact. Being financially literate allows a person to use basic concepts to adapt to our ever-changing economy.

Difficulty in motivating students

This is an interesting if not unintelligent comment about education. Name one subject other than study hall, lunch and maybe PE that students are motivated to learn. Motivation is one of a teacher's gifts to their students. However, lack of preparation and lack of administrative support can put a damper on a teacher's ability to motivate students.

Developmentally inappropriate curricula

Teacher's perceptions of self-efficacy were mentioned earlier. One reason is a general failure of the education system to identify the most relevant skills students should possess. Two problems are developmentally inappropriate curricula and what finance concepts would be taught (Bruce, 2023; Texas Education Agency, 2023).

Other impediments

How do you teach finances while understanding of beliefs and attitudes, cultural and community values, and behaviors and sentiment about money?

What are the appropriate levels of literacy, education and knowledge on various money-related topics for the introduction of financial literacy?

What is the cost and source of the tools, resources, and money management systems through which this knowledge can be applied?

What do you teach with the ongoing financial planning to adapt to a dynamic, increasingly complex, and constantly evolving life – personally, professionally, and financially? (Barrington, 2023; Weiss, 2022).

What Needs to be Included in A Personal Finance Course

Financial Literacy: What Does It Entail

But there is a risk associated with these mandates. With a finite number of hours in a school schedule and many subjects to teach, administrators, teachers and curriculum directors must make sacrifices when they allocate a scarce education resource (classroom time). As a result, administrators too often see economics and personal finance as substitutes and drop time spent on econ; that is, mandating personal finance pushes out economics instruction (Suiter, Wola, & Levin, 2022).

The subjects are not substitutes, and we shouldn't sacrifice economics for personal finance. Economic reasoning can be used to make decisions in all areas of life, but especially when making personal finance decisions. In fact, personal finance can be viewed as the application of the economic way of thinking to everyday decisions. If anything, economics, and personal finance are complements, not substitutes (Suiter, Wola, & Levin, 2022).

Four Benefits of Financial Literacy Classes

It's essential to start learning about money at a young age (Camberato, 2022). For financial literacy instruction to be effective, students need to see relevance in what they are learning. Relevance leads to student buy-in — the desire to learn and retain the information. Stress the positive future consequences of the wise financial choices.

What exactly does personal finance education mean? There are many ways to define it, but here are some of the basic topic areas it should cover:

- Accumulation of wealth
- Assets
- Application for federal student aid provided by the United States
- Bank fees
- How to open a bank account
- Bank account types
- Balancing a bank account
- Balance checkbook Budgeting
- Bankruptcy
- Bill paying
- Borrowing and interest
- Completing loan applications,
- Cash Flow
- Creating and managing a household budget.
- Charitable giving
- Compute interest rate
- Simple contracts
- Credit
- Credit cards
- Credit score [How credit scores work]
- Cybersecurity of financial information

- Deferred compensation
- Eliminating credit card debt
- Equity in home
- Financial advisors
- basic personal insurance/Insurance policies
- Interest
- Investment basics/options
- Liabilities
- Loans [car and home]
- Manage money effectively
- Paying bills on time.
- Pension plans (contributing/not)
- principles of money management,
- Retirement planning-saving basics
- Rights and responsibilities of renting or buying a home
- Savings accounts/habits
- Scams and rip-offs
- Social security stock market
- Student loan assistance
- Taxes
- Tax-filing
- Taxation percentages
- Time Value of Money [Time Value of Money is a concept that essentially means that a dollar today is worth more than a dollar tomorrow. Due to compounding interest, inflation, and the function of money in our economy, the present value of money today is always worth more than its future value]
- Types of loans (Camberato, 2022; Jordan, 2022; Kiplinger Personal Finance,2023; Kiplinger Retirement Report, 2023; Lundy, 2020; McCormick, 2009; Weiss, 2022).

The above list may sound like a long list of topics, but these are basic skills that most adults will use over and over for decades to come. Those skills are as essential to modern life as any others taught in school. That's why financial education is not only worth having but is worth expanding and improving to yield better results. Not to pick on a high school course in English literature ... but how often do you use Beowulf or Shakespeare in your life after you take the course?

What Needs to Be Done

The author provided a section "Why Is Financial Literacy NOT Taught?" The article would not be complete if that question was not answered.

As one considers the repercussions of financial ignorance and advantages of knowing about personal finance, this question becomes increasingly important. It is less important to point fingers and blame state legislatures and school systems and to focus on moving forward so that schools do begin to teach personal finance. Instead of asking, "Why isn't personal finance taught in school", let's ask, "How do we get schools to teach personal finance (National financial educators council, 2023a).

Mandate

Mandates are a necessary precursor to successful implementation if implementation is to be widespread. Financial management education must not be optional. The mandate must signal clear and unwavering support. When mandating the mandate must remove red tape and other bad "stressors" and have funding, standards and requirements, vetted resources, and training for teachers stated in detail within the legislation.

Personal finance as well as economics should be core subjects that are stand-alone, half-credit semester long [at a minimum] (Jordan, 2022; Smith, & Baillie, 2020) along with integration throughout K-12 curriculum. Personal finance must be included in the K-12 setting and interdisciplinary cross curriculum instruction along with the capstone graduation requirement. Financial education must be integrated for all students and not only students in 11th and 12th grade (Butt, Haessler, & Schug, 2008; Hagedorn, Schug & Suiter 2016; Lundy, 2020).

Specific mandates lead to more positive effects on student understanding than generic standards (which do not specify what financial topics to cover or call for assessments). Implementing personal financial management into existing K-12 curriculum (as Louisiana is doing) is a step in the right direction.

Direct the State Department of Education to develop core curriculum with lesson plans and activities. This is extremely important due to the abilities of school districts to be funded/ develop/meet standards/provide consistent content. [Example :

Alabama has 1,530 public district schools, 3 public charter schools, and 2,264 private schools, making a total of 3,797 schools. Public primary and secondary education in Alabama is under the overview of the Alabama State Board of Education as well as local oversight by 67 county school boards and 60 city boards of education. Together, 1,541 individual schools provide education for 743,364 elementary and secondary students (2023 Alabama Schools | Public, Charter, & Private School Ratings (greatschools.org)).

Or

The public school system comprises many LEAs. In 2016-17, 945 school districts and 1,248 charter schools operated in California (how many school systems in California - Search (bing.com)).

Fund

Provide all needed resources for development of curriculum. Pay for semester of financial training. Fund in-service training.

Add to school supplies allotment for five years with money earmarked for financial literacy materials.

A subject matter finance education position in the State Department of Education just like you have social studies and STEM personnel. One thing is a definite, do not hire a finance person. Hire a teacher that provides the perspective of the classroom and not Wall Street or a bank.

Train

Set goals and strategies. Provide teachers with professional development opportunities. Develop in-service training and summer school online training courses.

Develop college teacher education degrees with financial management certification (Otter, 2010; Mandell,& Klein, 2007)

Materials

Surf the internet and everything you will ever need is available for starting to develop curriculum, etc. Everything that is developed is taught by a best practice teacher as a video for use through the state internet education system. Lump sum purchase of material by state and distributed to school systems.

Educators can fit personal finance topics into their existing curricula by showing them how to integrate it into everyday life of the classroom in subjects such as math, business, social studies, civics and workplace learning (Federal Reserve Banks of Atlanta and St. Louis, 2020).

Banks, credit unions, and finance advisory organizations have educational materials that maybe used or adapted from classroom use.

Parents Role

The author believes that as in all learning parents are the first teachers. Whether financial literacy is being taught in the school's parents have the responsibility to teach their kids about MONEY. Parents play an important role in preparing their children to reach self-sufficiency and helping them establish a firm financial foundation.

Parents can really make a difference if they simply ask that these subjects be taught in schools. We have to open up the dialogue between students, parents, and schools. When these conversations start to happen, teachers and principals are more inspired to bring these lessons to the classroom because they realize these are issues kids really want to talk about and it's nothing to be afraid of (Iasevoli, 2018).

When parents said children needed to be computer literate, the schools started responding. “It’s pretty much how we get anything added to the curriculum. The same can be true of basic financial literacy.” – Elizabeth Warren, United States Senator National financial educators’ council. (2023d).

Kids Emulate Parent’s Personal Financial Habits

A research study analyzing the effects of parents’ values on children found a statistically significant positive association between parent’s savings rates and children’s savings rates (Webley & Nyhus, 2006).

T. Rowe Price (2017) found parents who have three or more types of savings are more likely to have kids who discuss money with them (83% vs. 66%) and less likely to have kids who spend money as soon as they get it (40% vs. 52%) or lie about their spending (34% vs. 43%)

However, most parents have not taught their children enough about money to prepare them for adult life. National Financial Educators Council (2021) asked 1,040 from around the country "Which parent taught you the most about money and personal finance?" The proportion of respondents selected "Mother" 23.7% , 22.6% selected "Father" and 53.7%. "Neither."

At home, parents are also starting to realize the importance of teaching their kids about finances and requesting that schools take more interest in the topic. It is estimated that more schools are going to get involved in teaching about money, which will increase the percentage of schools that teach about taxes (Texas Education Agency, 2023).

How Parents Can Teach Kids About Personal Finance

While schools are starting to implement financial education, experts advise that parents should not solely rely on these classes for their kids to learn how to be financially literate. Building a strong financial foundation starts at home (Smith, & Baillie, editors, 2022).

Parents are the biggest influence when it comes to money, and they need to see their parents/guardians practicing money concepts in real-life situations. According to Smith, & Baillie (editors, 2022) past research shows that children do in fact learn more about finances from their parents than any other source (Smith, & Baillie, editors, 2022).

Talk About the Basics

Money can often be regarded as a taboo subject, making some families hesitant to discuss it openly or at all. However, during childhood, we build the foundations for financial well-being later in life - which makes opening the discussion even more important. According to the Consumer Financial Protection Bureau (CFPB), discussions around money basics can start as soon as a child is three years old (Smith, & Baillie, editors, 2022).

CFPB’s *Money as You Grow* resource provides parents and caregivers with different financial topics to discuss with children, such as paying with a credit card or the steps taken to purchase a new vehicle. It also provides guidance on how parents can adjust financial conversations for every stage of life, from young childhood to early adulthood.

Financial topics to consider discussing with children include earning, saving, planning, borrowing, and insurance with your children (Smith, & Baillie, editors, 2022).

Let Them Practice

After teaching children’s basic concepts of money allow them to live out those concepts through practice. Give them an opportunity to make mistakes that they can learn from. The CFPB says children as young as six years old can start using hands-on experience with money (Smith, & Baillie, editors, 2022).

One example of learning by doing would be through giving children their own money. The Financial Industry Regulatory Authority suggests giving children a regular allowance—even if it’s a small one—can help them learn how to budget their cash. Encouraging them to make it last until their next allowance day teaches them the principles of making wise spending choices and allocating their funds accordingly.

Along with the allowance put the kids on a budget. Budgeting involves being aware of how much you have available to spend, identifying how much you have available to spend, identifying what expenses you have and balancing the two. Budgeting leads into saving ...

Financial apps geared toward kids, like FamZoo and Greenlight, come with prepaid debit cards and the capability to invest, track spending, and more. Some of these apps require monthly subscriptions. Practicing with these tools is best suited for teens and young adults (Smith, & Baillie, editors, 2022).

Set a Good Example

Kids look up to their parents for guidance on how to navigate and think about things—especially money. Setting a good example means showing children how to approach difficult money situations and keeping them in a positive light (Smith, & Baillie, editors, 2022).

We should talk to our kids about our money choices. Be positive about them. The author believes chores and allowance are a start in understanding earning and spending.

The author knows that money is not a normal topic of discussion between parents and their children at any age. Yet spending time with the kids is a must. One way to do money and spend time is playing games that are for all ages. Here are some finance game ideas.

- *Cashflow 101*: A cash flow board game that teaches how to invest and build wealth.
- *Monopoly*: A classic board game that involves buying, selling, and renting properties.
- *The Game of Life*: A board game that simulates different life events and choices.
- *Payday*: A board game that teaches how to budget and manage money.
- *Charge Large*: A board game that teaches how to use credit cards wisely.
- *ShadySam*: An online game that exposes the tricks of predatory lending.
- *Lights, Camera, Budget*: An online game that challenges students to manage a movie production budget.
- *The Uber Game*: An online game that simulates the life of an Uber driver.

Conclusions

Mandated mandatory K-12 interdisciplinary financial literacy is required for everyone.

Why isn't personal finance taught in school? The answer is a mix of inertia in the system and a failure to recognize financial literacy as one of the core skills needed to succeed in the 21st century.

Policy makers are first step in getting personal finance courses in school. Parents and concerned persons can partner with financial education providers to bring the discussion to policy makers and force them to confront the question. Only with sustained efforts can strides be made towards a smarter education system that includes personal finance education (National Financial Educators Council, 2023f).

Change might have to come from parents. Regardless of who takes the first step ... parents, educators, and politicians' must understand if you don't change your mindset (how you think), your habits (what you do), your systems (how you do them) or your environment (what shapes your choices), all the information in the world won't lead to better financial outcomes (National Financial Educators Council, 2023g; Iasevoli, 2018)

Financially literate individuals understand basic financial concepts of budgeting, saving and debt management provides a strong foundation they can build on as adults and helps them avoid lifelong money problems (Camberato, 2022).

Financial literacy education done correctly benefits everyone. It leads to better planning and saving for retirement, reduced personal debt, less likelihood to take on high-cost debt, savvy investing, reduce stress caused by financial problems, and better credit scores leading to increased net worth of learners (Barrington, (2023; Behrman et al., 2012; Iasevoli, 2018; Klapper, Lusardi, & von Oudheusden, 2023; Lusardi & Mitchell, 2014; National Financial Educators Council, 2023f).

Financial literacy is not a level playing field and policymakers should consider providing specific financial literacy training to vulnerable groups, such as women, the poor, and adults approaching retirement to help reverse the effects of both long-standing problems systemic issues like wealth inequality and more recent problems like the economic fallout from the inflation (Klapper, Lusardi, & von Oudheusden, 2023; Rosenfeld, 2022; Weiss, 2022).

Financial literacy is not the only tool of economic stability, but it is a critical one of a much bigger financial (and life) picture (Barrington, (2023; Weiss, 2022).

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