

Business

Initiatives battle financial knowledge deficit

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In 2006, the Jump\$tart Coalition , a national organization dedicated to improving the financial literacy of kindergarten through college-age students, surveyed high school seniors across the country on basic financial knowledge.

The average score: 52.4 percent.

A disturbingly low number, but if addressed, could be improved.

In 2008, the organization again surveyed high school seniors.

The average score: 48.3 percent.

This percentage drop gives credence to a troubling reality that the future work force continues to fall behind in fundamental economic practices. Journalist Emma Johnson, who has written about this trend, has noted that despite being more educated and technologically sophisticated than any generation before, the financial knowledge of Generation Y “is abysmal, with personal finances to match.”

In the commonwealth, the results are only slightly better. According to the results of the latest Pennsylvania System of School Assessment, more commonly called the PSSA, the mathematics proficiency of 11th-graders statewide is 55.9 percent.

While concerning, it isn't inconceivable. In previous decades, basic information on topics like finance — such as how to balance a checkbook — would be passed on by parents. However, with the prevalence of new products like online banking, combined with an evolving economy that even has experts confused, teaching has given way to just trying to keep up.

Initiatives like Wall Street West are trying to reverse this trend.

The long-term goal of Wall Street West is to fund projects that will educate the current and future work force in skills that will enable them to be successful in industries like financial services. However, on the way toward this goal, there are a number of short-term achievements. Among them is the teaching of economic basics to students, which they can use in their everyday lives.

Over the past 10 months, Wall Street West has awarded more than \$8 million to projects in the nine-county region. While many of these dollars have been used to develop high-level programs — such as post-graduate degree programs for niches of the financial service industry — there have also been significant investments made in projects for pre-college students.

Among the organization's first projects was the Financial Literacy Institute for Teachers and Students, a collaboration of the Centers for Economic Education at the University of Scranton, Misericordia University and Northampton Community College. The goal was to provide professional development and disseminate curricula for regional teachers to better educate their students on the policies and practices of finance.

An assignment for the participating teachers was to administer, prepare and coach teams of students for the Stock Market Game, a national program that allows students to invest a hypothetical \$100,000 in an online portfolio. A total of 590 teams were created by these teachers, which competed with their peers throughout the region with tremendous success.

“The Stock Market Game provided a great opportunity for the students of the participating teachers to have a hands-on experience on just how the knowledge they learned relates to the real world,” Financial Literacy Institute Program Administrator Edward Scahill said. “In listening to those who took part in the competition, I have become convinced that the experience is an excellent method to improve financial skill sets in high school students.”

A similar training program for teachers was also funded in Luzerne County, a county in which some high schools reported less than half their 11th-graders were proficient on the math PSSA. King’s College developed the Mathematics Summer Institute, a program to help high school math teachers learn additional ways to educate their students, specifically using economics. A total of 19 teachers took part in the weeklong course.

The curriculum included classroom work and testing, as well as a trip to a trading floor. The teachers will take these new techniques and incorporate them into their lesson plans this fall. Testing and observation of the students over the next several months will help gauge the success of the program, as well as indicate what modifications are necessary for future Mathematics Summer Institute programs.

“As we develop better teachers, we develop better students,” said professor Joyce Armstrong, program administrator, Mathematics Summer Institute. “By working with regional teachers to help them develop alternative curricula, we have been provided with the opportunity to effectively reach out to the area high schools to assist their teachers on teaching economic issues. We hope that these efforts will impact high schools for many years and help students learn the world of finance.”

Will all the students learning these new skills become financial brokers or analysts? Probably not.

Will each of them take something from what they have learned and apply it to how they handle their own finances? Time will tell, but if the answer is yes, Northeast Pennsylvania may have developed a blueprint for how regions across the country can address and reverse this national trend.

Susan Shaffer is director of work force initiatives for Wall Street West.

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