

# FINANCIAL LITERACY

What is it?

Why is it important to your students?

What are the basic concepts?

How to learn more.

# WHAT IS FINANCIAL LITERACY?

- “Financial literacy is the ability to use knowledge and skills to manage one’s financial resources effectively for lifetime financial security”

# WHY IS THIS IMPORTANT TO YOUR STUDENTS?

- ◉ With rising college costs and the high levels of student loan and student credit card debt, many students carry lingering debt that impacts their life after college.
- ◉ Students who are “money smart” fair better with retention, productivity and wellness!
- ◉ Managing money is more than just handling debt - it can be a kind of empowerment!

# FACTS

- Approximately 75% of Americans live financially month to month.
- Less than 10% of high school graduates receive any financial education in school.
- The Chronicle of Higher Education reports that today the average student debt at graduation for someone with a Bachelor's degree is around \$26,000.

# WHAT ARE THE BASIC CONCEPTS?

- The basic concepts include:
  - Knowing how to build a financial plan.
  - Budgeting to make the most of your money.
  - Investing to make your money work for you.
  - Understanding good debt, bad debt and using credit wisely.
  - Keeping your money safe and secure.
  - Protecting your money with insurance.

# TIMING

- ◉ Students who have learned how to be “money smart” before college can save themselves a lot of heartache and money!
- ◉ Knowing how to budget the cash they have and knowing if and how much to borrow can make a huge difference.
- ◉ Avoid the “I wish I knew that before I took out this loan” , or “I wish I didn’t run up my credit card” .

# WHERE AND HOW TO LEARN MORE ABOUT FINANCIAL LITERACY:

- ◉ There are many free resources offered by non-profit organizations that you can turn to for information.
- ◉ April 20-28 is MONEY SMART WEEK
- ◉ Make the most of it by helping your students with this important information.

# RECOMMENDED RESOURCES

- ◉ National Endowment for Financial Education (NEFE) High School Financial Planning Program. [www.hsfpp.org](http://www.hsfpp.org)
- ◉ Jump\$tart Coalition - Financial Smarts for Students. [www.jumpstartcoalition.org](http://www.jumpstartcoalition.org)
- ◉ Michigan Council on Economic Education (MCEE). [www.MCEEonline.org](http://www.MCEEonline.org)
- ◉ Greenpath University. [www.greenpath.org](http://www.greenpath.org)

# MORE RESOURCES:

- ◉ Inceptia - a division of National Student Loan Programs (NSLP). [www.inceptia.org](http://www.inceptia.org)
- ◉ Mapping your Future - Managing Your Money. [www.mappingyourfuture.org/Money](http://www.mappingyourfuture.org/Money)
- ◉ Start Smart: Money Management for Teens. [www.fdic.gov/consumers](http://www.fdic.gov/consumers)
- ◉ The Money Game. [www.winthemoneygame.com](http://www.winthemoneygame.com)

# IS FINANCIAL LITERACY JUST FOR STUDENTS?

- ◉ NO!
- ◉ Everyone can benefit from being money smart.
- ◉ Currently 27 states have financial literacy programs for their citizens.
- ◉ The Michigan Department of Treasury is developing a plan for students and citizens.

# HOW DO I GET STARTED?

- ◉ Most all of the sites shown here have free materials for you.
- ◉ Some have full educational programs that can be used in the classroom with students.
- ◉ Others have lot of great on-line information.
- ◉ Use these materials and/or pass this information on to your students and parents.

# THE BENEFITS ARE WORTH IT!

## ◉ Be money smart:

- Finish your educational program with minimal long-term debt.
- Put your money to work for you.
- Secure your money for a bright future.
- Relax and feel less stress.

# CONTACT US

- ◉ For more information on how to learn about Financial Literacy contact our office.
- ◉ Student Scholarships and Grants.
- ◉ 1-888-4-Grants (1888-447-2687).
- ◉ [SSG@Michigan.gov](mailto:SSG@Michigan.gov)
- ◉ [www.michigan.gov/ssg](http://www.michigan.gov/ssg)