



Schools slow to embrace financial literacy

By Cindy Kranz • ckranz@enquirer.com • October 9, 2010

Starting with this year's high school freshmen, all Ohio students must receive financial literacy education to graduate.

But some area schools are slow to embrace the new law, a University of Cincinnati educator contends.

"There are schools we offered services to that said, 'No thank you.' I'm not sure that they aren't in violation of the law," said John Morris, chief operations officer of the UC Economics Center for Education & Research. "Others embrace it. They teach it with high levels of rigor. We're hoping to get more schools to embrace the idea that this is critical."

A state law, passed in 2006, says school districts shall take advantage of services offered by the state's eight university-based economics centers of education, but it's not a mandate that schools use them. The centers help ensure Ohio's students and teachers receive resources to increase their individual economic and financial literacy.

The non-profit centers will meet with any school or district free of charge and introduce them to free resources available to improve financial education and economics instruction.

"(Many schools) are not looking for resources, and in some cases, I would guess they're not actually teaching it," Morris said.

To grant a diploma that fulfills requirements of the Ohio Core, every school must meet the provision, said Tom Rutan, associate director at

the Office of Curriculum and Instruction with the Ohio Department of Education. Schools have until the Class of 2014 graduates to meet the new requirement.

Up to now, most schools offered financial literacy and personal finance as an elective. To fulfill the Ohio Core, it is mandated that all students receive this instruction before they graduate, Rutan said.

The new mandate comes when schools are already strapped for money and time.

"It is another unfunded mandate from the state," said Gary Knepp, a Milford School District board member. "Schools were forced to scramble on how are we going to meet another mandate?"

The financial literacy requirement comes at a time when districts face millions in tax revenue cuts from Duke Energy.

Milford is working with Morris to embed financial literacy in existing social studies classes, effective next fall. But, Knepp said, he's concerned that adding financial literacy will dilute or eliminate important history and government lessons.

He puts financial literacy in the same category as the new requirement that schools take the body



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mass index for students in certain grades and communicate results to parents.

"Is that the school's role?" Knepp asked. "Kids need to know how to write checks and balance a checkbook. Isn't that the function of parents? And shouldn't they be teaching them about credit cards?"

Twenty-three other states require personal finance instruction, either as a separate class or part of existing courses. In Kentucky, schools are encouraged but not required to teach it.

Financial experts and educators said it's crucial for students to learn about personal finance during these times. Financial literacy among high school graduates is declining, according to national test scores.

The impetus for the new law came from the business community and others who have called for strengthening financial literacy, said Rob Hovis, a member of the Ohio State Board of Education and a stockbroker with Edward Jones Investments in Millersburg.

"At least part of the financial problems that beset our banking system and mortgage system were brought about by consumers who made poor decisions about the extent they could go into debt and their ability to service a certain level of mortgage payment and credit card debt, as well," Hovis said.

Bob Taylor, the Cincinnati office managing partner of Grant Thornton accounting firm in Norwood, said it's critical that students receive financial education.

"You don't expect someone to be a doctor without learning something at school. Why is it we think people are naturally going to understand some of this financial background without having a school program behind it?" Taylor said.

"This financial crisis the United States has been through over the past couple of years has really

highlighted the need a lot of us have felt was always there."

The Ohio Department of Education recommended schools establish a separate semester course as the most effective way to equip students with financial literacy skills.

However, the department recognized that districts that don't have the resources for a stand-alone course can embed that instruction within the context of another course, such as social studies, family and consumer science, business education and economics.

"The requirement does not go nearly far enough, because schools can basically comply by continuing to do what they've been doing," Hovis said. "It is not intentional enough. We need to have a discrete semester course at the high school level."

Meanwhile, schools say they are doing what they can to implement the requirement.

"We try extremely hard to balance state and federal requirements with our local curriculum and budgetary means," said Rhonda Bohannon, superintendent for Three Rivers Schools.

Three River social studies teachers are working with Morris to develop a separate Personal

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Community Driven.

Finance semester class that will be available next fall.

Morris acknowledges that not every school can afford a semester-based course. He also recognizes that schools struggle to cover all of the academic content for the state's achievement tests.

"What gets measured gets done," said Morris, a former CPS high school principal. "The test for financial literacy comes later in life after school. The way the economy turned in recent years, I think, is a clear indication we failed in teaching our citizens financial literacy concepts."



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Sobering stats

Financial literacy is declining among high school seniors.

According to a 2008 survey by the Jump\$tart Coalition for Personal Financial Literacy, scores of the 2008 high school senior class rank 4 points lower than their 2006 peers (48.3 percent vs. 52.4 percent).

In the Jump\$tart Coalition's biennial survey, funded by the Merrill Lynch Foundation, high school seniors correctly answered only 48.3 percent of the questions. Among survey findings:

48% correctly said that a credit card holder who only pays the minimum amount on monthly card balances



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Elaine Sugawara-Forster, right, works with student Deja Moore, as she learns how to budget a trip to Paris with \$2,000, during a financial management class at Winton Woods High School.

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will pay more in annual finance charges than a card holder who pays their balance in full.

17% correctly answered that stocks are likely to yield higher returns than savings bonds, savings accounts and checking accounts over the next 18 years even though there has never been an 18-year period where this wasn't true.

40% correctly answered that they could lose their health insurance if their parents become unemployed.

How it's being taught

Batavia: Batavia High School has created a new semester Consumer Economics class taught by a social studies teacher. For the banking unit, the school is partnering with Classic Credit Union of Batavia. The class is an elective. Financial literacy lessons are also embedded in other classes.

Mason: Mason High School requires all sophomores to take a new Financial Literacy semester course. This year's sophomores (the Class of 2013) will have met the financial requirement for the Class of 2014. Students will get dual credit for high school and two credits if they enroll at UC.

Norwood: Norwood High School has a semester-long Financial Literacy course that is required for the Class of 2014. This course replaced a class that is no longer offered.

Sycamore: Sycamore High School offers three semester-long courses. Members of the Class of 2014 have to take at least one to graduate.

West Clermont: The district is embedding the information within existing courses in the social studies departments for grades 6-12, said Tanny McGregor, supervisor of educational programs. Educators are working with the UC Economics Center to get the requirement in place by next fall.

Winton Woods: Elaine Sugawara-Forster teaches a Financial Management class through the family consumer science department at Winton Woods High School. The semester class, first offered last year, is an elective, but the school offers financial literacy lessons in other existing classes.

Reading High gets it right

John Morris, chief operations officer of the University of Cincinnati's Economics Center for Education & Research, says Reading High School is a model when it comes to teaching financial literacy.

For years, the school has offered popular Personal Finance elective courses.

Now, Reading requires the Class of 2014 to take a semester-based course, for which they potentially could earn two college credits at UC.

Business teacher Brian Page takes advantage of UC's guest speaker program, bringing in experts from the business community to review the material from each unit.

Reading was one of two Ohio schools to pilot the nationally recognized financial education program "Everfi," one of a few in Ohio that utilizes the Financial Education online program "Budget Challenge."

Students also participate in UC's Stock Market Game.

Page is seeing results.

The average score of the 2008 Jump\$Start Coalition's survey of all high school students, nationally, including those who took a personal finance course, was 48 percent. Reading's average upon completion of the course last year was 81 percent.

And, of the students who took the test, Reading scored near the top 90 percent of participating schools on last year's U.S. Treasury National Financial Capability Challenge.

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