

# PRO/CON: Should all high schoolers take courses in personal finance?

By K. Alexander Ashe and Wayne Madsen, Tribune News Service, adapted by Newsela staff on 06.13.17

Word Count 1,279

Level 1240L



Students line up for lunch at the Ariel Community Academy in Chicago, Illinois, February 12, 2008. The one-of-a-kind public elementary school was established in 1996 by the Chicago-based money management firm Ariel Capital Management. It promotes financial literacy and gives students money to invest. Photo by: AP Photo/Charles Rex Arbogast

## PRO: Yes. Education system overhaul should include new emphasis on financial literacy

As Secretary of Education Betsy DeVos sets out to reform America's underperforming public schools, let's hope she makes their shocking lack of personal finance instruction a top priority. Our nation's high schools are flunking badly when it comes to teaching their students the key elements of financial literacy.

A 2016 study by the Council for Economic Education found that only 17 states require high school students to take courses in personal finance.

### Teach Kids The Basics In Money Management

That's particularly distressing when you consider that the final year of high school is, for many young people, a last opportunity to acquire financial literacy. Soon they will enter today's costly, complex and rapidly changing world.

Personal finance courses don't require teachers with advanced degrees. Almost any teacher who can balance a checkbook can follow some already successful course guidelines to impart financial basics to graduating seniors.

To be successful, most kids don't need to learn about advanced ideas like collateralized debt instruments, said Nan J. Morrison. She is president and CEO of the Council for Economic Education. Still, kids need to understand the basics, she says. "They do need to know how to open a bank account, how much they need to save each month to reach their goals and, if they borrow this amount of money, how much money they will need to earn to pay it back."

### **"Everyday Economics"**

Morrison and other personal finance advocates are responsible for many of the recent gains made in the establishment of what some call "everyday economics" in high school classrooms. In 1998, only 14 states required that high schools give their seniors a basic knowledge of personal finance. Now 37 states do, meaning more students are receiving finance lessons in their civics and math classes.

And over the last few years, more populated states like New York and Illinois have toughened standards. Washington state has new legislation doing the same.

So more states are implementing personal finance standards. But the number of states that require high school students to take an actual course in personal finance — 17 — has remained unchanged since 2014, according to the study.

That's truly unfortunate. The states with the toughest personal finance requirements send their students on to college and into the real world with a measurable head start.

### **Benefits Students In The Real World**

Data recently released by the Investor Education Foundation, or IEF, show that high school students benefit from the classes. Those who passed required personal finance courses have better-than-average credit scores and are less likely to be in debt as young adults.

The IEF study found "notable improvements" in credit outcomes for young adults ages 18 to 22 in Idaho, Georgia, and Texas, three states where financial education mandates are considered strict by the Council for Economic Education.

Personal finance courses provide an important leg-up to students in low-income areas with lagging schools.

Young people in economically challenged areas are often unemployed or underemployed. They find themselves at the mercy of loan sharks and payday loans who take advantage of people who need to borrow money quickly. These lenders target poor people with unethical and even illegal practices, charging very high interest rates. These factors can be key drivers of ongoing poverty.

Recent graduates in these communities find themselves struggling to pay bills and manage what little money they have.

As Morrison said, “Exposure is everything. When you learn good habits, you tend to have better outcomes.”

*ABOUT THE WRITER: K. Alexander Ashe is the CEO and founder of Spendcast, a tech firm that develops finance-focused apps. Readers may email him at [kashe@spendology.net](mailto:kashe@spendology.net). This essay is available to Tribune News Service subscribers. TNS did not subsidize the writing of this column; the opinions are those of the writer and do not necessarily represent the views of TNS or its editors.*

## **## CON: No. Better we get back to basics**

Today, basic classroom subjects like writing, reading, mathematics, science and history are being discarded or underfunded by state public education authorities. Making tougher requirements on the teaching of personal finance would be a waste of time and money.

Politicians and school board members pushing such an agenda should be required to take and pass courses in public finance before making such demands.

All 50 states plus the District of Columbia already require, as part of their standard kindergarten-to-high-school curriculums, the teaching of basic economics. Forty-five require that personal finance be taught in their basic economics courses.

That’s sufficient when you consider the education basics getting little attention.

### **Students Lagging In Education Basics**

Students who finish high school without a baseline education in science, math, English comprehension and at least one foreign language wind up competing for low-wage jobs that don’t require special skills.

In science, as measured by the Programme for International Student Assessment, U.S. students now rank behind those of Vietnam, Slovenia, Portugal, South Korea and 19 other nations.

In reading skills, American students rank 24th, behind Ireland, Estonia, Macao and France.

America’s report card in math is awful, as it is 39th, behind Russia, Spain, Poland and Macao.

With these results, the United States cannot hope to compete in a globalized world. Jobs demand a workforce with expertise in engineering, medical research, computer science, robotics and environmental technology.

In the same ranking, Singapore topped all others in all three categories. Hong Kong came in second in math and reading, while Japan took second place, barely ahead of Estonia, in science.

With this in mind, Americans and their elected representatives have only themselves to blame when Singaporean, Japanese and Estonian workers are favored for employment over people from the United States.

### **Low Percentage in Math and Science**

In 2015, the U.S. Department of Education found that only 25 percent of 12th-graders were either accomplished or advanced in math. The same study found that a mere 22 percent of high school seniors were either accomplished or advanced in science.

The only nation in history to land 12 astronauts on the moon would be hard-pressed to repeat that amazing feat today with the failure of its education system.

And besides the need for our schools to refocus on the fundamentals, there's another big problem with states requiring courses in personal finance.

There is the possibility that teachers and school administrators, already stretched thin, would be lured into allowing outsiders in the classroom to provide finance instruction.

### **Watch Out For Outside Influences In The Classroom**

What pushers of quickie college loans or high-interest credit cards would not jump at the chance to prey upon high school seniors? These students are about to enter college or the job market.

Educational leaders should be insulating their students from such ilk, not opening their school doors to them.

America would not be the great nation it is today without its history of quality public education. Abigail Adams, the second first lady of the United States, lived in a time when women were denied equality in employment and foresaw what was required of the young country: "Learning is not attained by chance; it must be sought for with ardor and attended to with diligence."

*ABOUT THE WRITER: Wayne Madsen is a longtime progressive commentator whose articles have appeared in leading newspapers throughout the U.S. and Europe. Readers may write him at 415 Choo Choo Lane, Valrico, FL, 33594. This essay is available to Tribune News Service subscribers. TNS did not subsidize the writing of this column; the opinions are those of the writer and do not necessarily represent the views of TNS or its editors.*

## Quiz

1 Read the selection from the section "Benefits Students In The Real World" in the PRO article.

*These lenders target poor people with unethical and even illegal practices, charging very high interest rates. These factors can be key drivers of ongoing poverty.*

In which of the following sentences does the word "driver" have the SAME meaning as used in this selection?

- (A) After swinging, the golfer handed his driver to the caddy.
- (B) She was impatient while waiting for her driver to bring the car out of the garage.
- (C) The computer's driver spun to life when the power button was pressed.
- (D) The strong economic forecast was one of the key drivers of job creation.

2 Which of the following phrases from the article is NOT used to describe people who manage their money well?

- (A) toughest personal finance requirements
- (B) a measurable head start
- (C) better-than-average credit scores
- (D) notable improvements

3 Read the sentence from the CON article.

*Students who finish high school without a baseline education in science, math, English comprehension and at least one foreign language wind up competing for low-wage jobs that don't require special skills.*

Which paragraph from the section "Students Lagging In Education Basics" helps to SUPPORT the author's claim above?

- (A) In science, as measured by the Programme for International Student Assessment, U.S. students now rank behind those of Vietnam, Slovenia, Portugal, South Korea and 19 other nations.
- (B) With these results, the United States cannot hope to compete in a globalized world. Jobs demand a workforce with expertise in engineering, medical research, computer science, robotics and environmental technology.
- (C) In the same ranking, Singapore topped all others in all three categories. Hong Kong came in second in math and reading, while Japan took second place, barely ahead of Estonia, in science.
- (D) With this in mind, Americans and their elected representatives have only themselves to blame when Singaporean, Japanese and Estonian workers are favored for employment over people from the United States.

4 Which of the following does NOT support the author of the PRO article's argument?

- (A) That's particularly distressing when you consider that the final year of high school is, for many young people, a last opportunity to acquire financial literacy.
- (B) "They do need to know how to open a bank account, how much they need to save each month to reach their goals and, if they borrow this amount of money, how much money they will need to earn to pay it back."
- (C) Now 37 states do, meaning more students are receiving finance lessons in their civics and math classes.
- (D) Those who passed required personal finance courses have better-than-average credit scores and are less likely to be in debt as young adults.