



**Electronic Access Conference**

**2002**

# Session 47

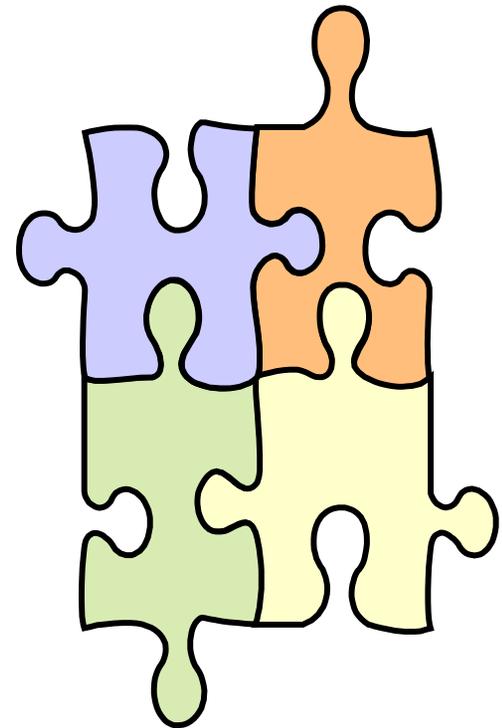
## *Programs for Building Early Awareness & Financial Literacy*



By Dara Duguay  
Jump\$start Coalition

# *Financial Literacy Defined*

***Financial literacy***  
*refers to the basic skills  
people need to manage  
money and make  
financial decisions.*



# *Statistics*

- 61% of 24- 64 year-olds have no retirement savings account of any kind
- 21% of undergraduates owe between \$3,000- \$7,000 on their credit cards
- Mortgage delinquencies have surged to their highest level since 1992
- Teens spent \$173 billion in 2001, equal to Mexico's yearly exports

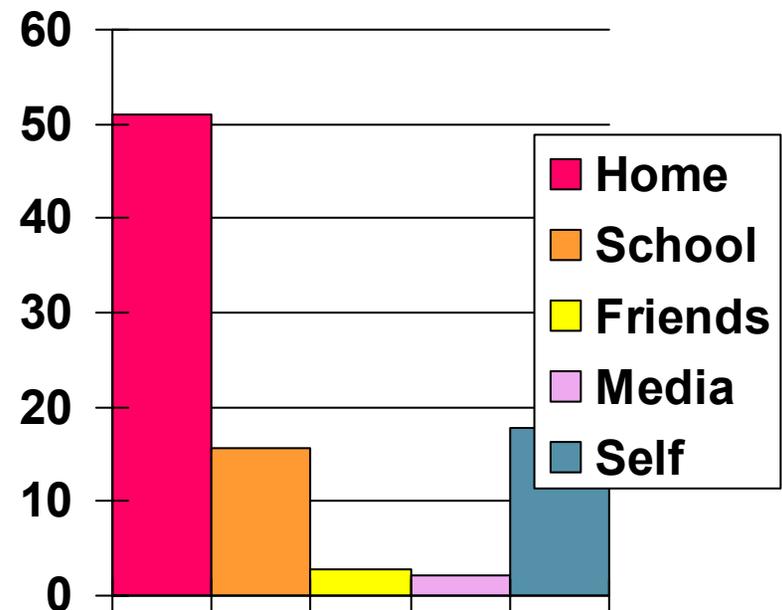
# Statistics

- College students borrowed in the 90s what they did in the 60s, 70s & 80s combined
- Graduating students owe an average of \$20,402 in student loan & credit card debt
- Bankruptcies filed by those under-25 rose 96% from 1991- 1999 to 118,000
- 2001 Personal Savings Rate was 1.6%
- Non-secured consumer debt= 1.65 trillion

# Jump\$tart Coalition Personal Finance Survey Results

- 2002 National Benchmark Study
- 4,024 High School Seniors
- Average Score was 50.2%-a Failing Grade
- 65% said they felt “very sure” or “somewhat sure” about ability to manage their finances

Where They Learned About Money



# *The Good News*

- As little as 10 hours of classroom instruction can affect how teens handle their money
- 58% of students improved their spending habits
- 56% of students improved their savings habits



# More Good News

*Adults, age 30-49, who studied personal finance in high school had:*

- ***A greater net worth – by about 1 year of income***
- ***More personal savings!***

*Education and Savings: The Long-Term Effects of HS Financial Curriculum Mandates, Bernheim, B.D., Garrett, D.M., and Maki. 1997.*



# Major Jump\$tart Activities

- Standards and Benchmarks
- Clearinghouse
- State Coalitions



# *Personal Finance Standards & Benchmarks*

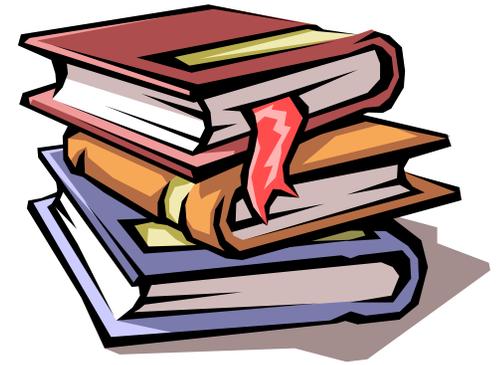
***What students need to know and  
be able to do.***

- Income
- Money Management
- Spending and Credit
- Saving and Investing



# *Search the Clearinghouse* *[www.jumpstart.org](http://www.jumpstart.org)*

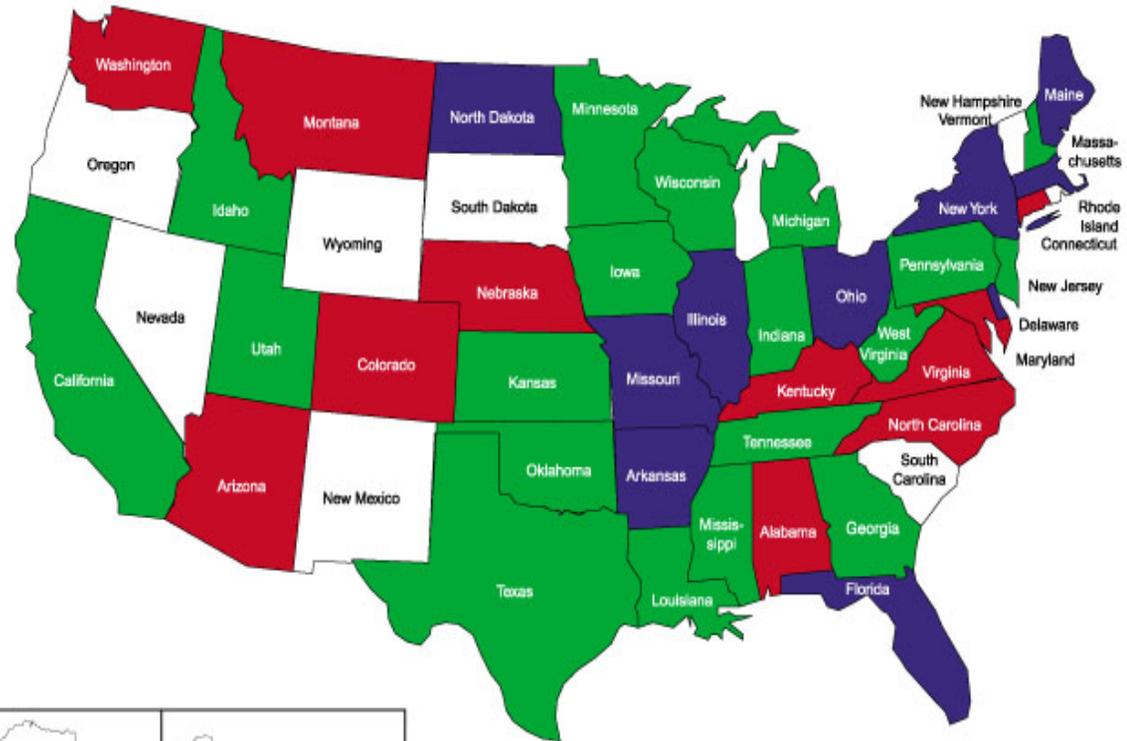
You will find:



- Personal finance materials
  - teaching guides, videos, CDs
  - textbooks, web sites and more
  
- Many free and low-cost sources



# STATE COALITION STATUS MAP



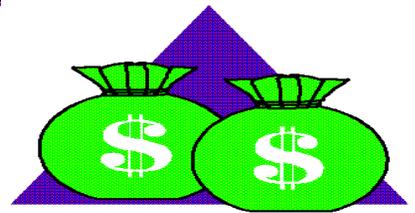
To locate information about the state coalition in your state, go to [www.jumpstart.org](http://www.jumpstart.org). Click on "Affiliates," and then click on a particular state.

Key:	
Some Activity	
Infancy	
Established	
No Activity	

# Partnership

Please Send Money:  
A Financial Survival Guide for Young Adults  
By Dara Duguay

American Education Services (AES)  
A Division of the Pennsylvania Higher  
Education Assistance Agency (PHEAA)



# *Project Specifics*

- *Money Matters* Interactive CD-Rom.
- One component of AES/PHEAA's public service campaign.
- Provide students with the information to plan for their financial futures now.
- Distributed at no cost to financial aid administrators.
- Selected content from *Please Send Money*.
- Interactive worksheets.

# Content Examples

- Understanding Your Student Loans
- Tax Deductions
- Seven Easy Steps to Creating a Budget
- Determine Your Financial Priorities
- Managing Your Debt



# Content Examples

- Paying Off Credit Balances
- The Hidden Dangers of Interest
- How to Avoid Debt
- Consequences of Default
- Money Motivators
- Millionaire by 65



# What Can You Do?



- Request copy of *Money Matters*-CD-Rom
- Become familiar with content
- Encourage students visiting financial aid office to utilize the CD-Rom
- Organize workshops

# Resources

- YouCanDealWithIt.com
- *Money Matters* CD-Rom
- Jump\$tart  
Clearinghouse-  
<http://www.jumpstart.org>
- Workshops





## *Contact Us*

I appreciate your feedback and comments. I can be reached at:

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