

Give kids education in finance



Wendi C. Thomas

though I had no job and no income.

My dad warned me not to take it, but I dismissed him as a spoilsport bent on thwarting my happiness.

Thirteen years later, I'm still trying to pay off that card.

When it comes to financial illiteracy, it seems I had plenty of young company.

According to a national survey done in 2002 by the Jump\$tart Coalition for Personal Financial Literacy, high school seniors got 50 percent of the questions on a personal finance test right.

Worse, the average score for black students was 42.1 percent, compared to 53.7 percent for white students.

And scores were the lowest in the South, 48.6 percent, compared to 53.5 percent in the Midwest.

That's bad news for students in our Southern, predominantly black city.

Students "don't know the basics, let alone anything beyond the basics, like how (President) Bush's tax policies are going to affect them," says Julie Heath of the Center for Economic Education.

Teaching math and reading begins in kindergarten.

"We do that because we recognize that these are basic life skills," says Heath, chair of the

economics department at the University of Memphis.

"This (personal finance education) is exactly the same thing. We need to start it in kindergarten and take it all the way through."

Last week's series in this paper chronicled the sad stories of Habitat for Humanity homeowners who lost their homes because of poor financial management.

Had they been armed with enough information – through the public schools or otherwise – many of them might still have their homes.

Heath isn't pushing for the state to create a separate personal finance course in public schools.

"Teachers have a pretty full plate," Heath says, and already Tennessee is one of 15 states with a mandated economics course.

But if we can make students learn the number of lines in a sonnet, why can't we arm them with the information on how to make wise financial decisions?

"The question becomes if we mandate a class in personal finance, what do you take out?" Heath asks.

That's a question best answered by educators, but here's a suggestion.

Get rid of the scalpels and those smelly frogs.

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What I learned in school:

Parts of the periodic table of the elements, which I memorized for the test then promptly forgot.

How not to gag while dissecting a smelly dead frog.

Most of the words to Hava Nagila and Feliz Navidad.

So far, none of that has been of use in my adult life.

And even though I took the economics course required of Memphis City School graduates, I don't remember learning about annual percentage rates, compound interest or federal taxes.

If I had, I wouldn't have been so shocked to see my first paycheck.

Who the heck is FICA and why did he take so much of my money?

Contrary to what you've heard, ignorance is not bliss.

In college, I was offered a credit card, even