Financial Knowledge: A Literature Review Examining Financial Knowledge Among Male and Female High School Students

by

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Abstract

Many students are entering high school and college without the appropriate knowledge and skills when it comes to being financially literate. Research was conducted in the subject area of financial education to determine whether students are receiving education in the school system and how effective this education might be. Most schools do not require students to take a class on financial education. Therefore students may not receive the necessary skills to be financially literate. If students are not able to receive financial education in schools they might be able to gain the experience through a job they have or family mentoring. Research was also reviewed in the area of work experience to determine if having a job will enable students to learn more about how to manage savings and checking accounts. A study conducted by Ruhm in 1997 suggests that students who can manage a job and school have better time management skills. Marsh (1991) found that students who have a job in high school have the ability to earn more in the future, and have a stronger desire to save money for college. Following the literature review, a summary, implications, and recommendations for future research are presented.

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Chapter I: Introduction

Upon graduation from high school, students will be expected to know how to manage their finances appropriately. Most high school students do not have the tools or the knowledge about personal finance that are required to enter into adulthood (Mandell, 1998). Most high schools offer classes that help prepare students for life beyond high school; however students are not required to take them. If a class is offered, it is usually taken in the student's senior year of high school. The information presented in these classes may not be complete enough to give students the knowledge to manage their finances on their own.

A nationwide study conducted by the Jump$tart Coalition for Personal Financial Literacy surveyed 12^{th} graders to test their knowledge of basic financial skills (Mandell, 1998). Mandell found that the weakest area of knowledge among high school students was how to save and invest their money. The study also found that the largest money management problem for this age group was spending their money on unnecessary items. The study concluded that more financial education should be provided in all grades of high school.

To help encourage an increased knowledge about money management, working during high school has been examined as a way to gain that knowledge. According to a study performed in 2003-2004, approximately 30% of seventeen year olds had jobs and were working approximately twenty hours a week (Porterfield & Winkler, 2007). The jobs held by these students were primarily service jobs such as jobs in the fast food industry. As a result of working in service jobs, students can develop skills that will help them prepare for their future. Skills such as money management, keeping checking or savings accounts, and learning how to work alongside other people can help students prepare for a future job (Worley, 1995). Even though valuable skills may be learned, most students cite that the primary reason for having a job was to be able to purchase various items that they wanted (cited in Worley, 1995).

Aside from purchasing desired items, other benefits to working are recognized. One major benefit was that students who worked were able to save more money for college (Marsh, 1991). The students who saved for college had the mindset of wanting to attend college and therefore put money aside to attend college in the future. These students had a larger goal in mind and were able to forego spending their money on unnecessary items and instead were able to save their money for their future.

Additional benefits to having a job may not be as apparent. Part time jobs help students learn to be self-reliant, learn responsibility, and learn the realities of becoming an adult (Worley, 1995). In addition, many colleges view a student being able to balance school work and a job as a valuable asset. The belief is that having a high school job will make the student more mature.

Students who work in high school appear to have higher levels of economic attainment. In a study conducted by Ruhm in 1997, high school seniors who worked more than twenty hours a week earned approximately nine percent more six to nine years later than their peers who did not work in high school. Therefore, high school work experience increased future earning capacity. Future productivity was accomplished by utilizing skills attained, knowledge learned, and effective work habits. Ruhm suggests that the increased efficiency was achieved by students being able to manage their time more effectively. Students who worked in high school spent less time on extra-curricular activities and more time concentrating on their schoolwork and their job.

Gender differences can have an effect on financial knowledge as well. Boys and girls as young as six are already displaying differences in their financial decisions. Girls cite their favorite activity as going to the mall. Advertising encouraged girls to spend their money on clothes and accessories. Boys tend to have more of an interest in saving and investing (Rock, 2005). Boys may have more of an interest in saving because boys are usually taught at an early age about saving and its benefits. Teaching both girls and boys about money management at an early age may help both genders become more knowledgeable about their finances.

Males were predominantly viewed as knowing more about finances. High school boys were twice as likely as girls to state they were more informed about finances (Rock, 2005). However, the article also stated that both males and females scored poorly on national tests that covered financial competence. This indicates that males may view themselves as more knowledgeable about finances, but they are not any more competent than females when it comes to financial experience. Males appeared to be more educated about investing, whereas females were more aware about job security. Schools need to encourage both sexes to be equally informed about all areas of finance.

Inevitably, money management is an issue that adults as well as students will face. A recent study has shown that people aged 40 and older were more experienced about finances than people younger than 30. The study specifically found that people in the age range of eighteen to twenty-four were the least knowledgeable about money management. The authors concluded that teaching people at a younger age about finances would help prepare them for their future (Bowen & Jones, 2006).

Statement of the problem

The topic of money management skills is important because many high school students graduate without knowing how to invest, save, or wisely spend any money earned. High school work experience is important because students gain better understanding of finances and the value of money. Being financially knowledgeable will help students prepare for their futures. Therefore the problem is that students are leaving high school not having the ability to manage their money sensibly.

Purpose of the study

The purpose of this paper is to review current literature on the financial knowledge of high school students, explore the differences between males and females in regard to their knowledge of financial matters, and determine ways that schools can contribute to a student's financial knowledge. An analysis of the current literature, limitations, implications for future research, and a summary were included. Literature was reviewed during the fall of 2007.

Research objectives

The objectives of this study are as follows:

1. Determine how informed high school students are regarding money management skills.
2. Establish if schools are supplying students with the knowledge and skills needed to become more financially literate.

3. A student's work experience is reviewed to determine whether or not having a job is beneficial for a student to be financially literate.

4. Gender differences are examined to determine if there were any differences between male and female financial literacy.

Definition of terms

The following list is a definition of terms used in this thesis.

Financial literacy - ability to read, analyze, manage, and communicate about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond completely to life events that affect everyday financial decisions, including events in the general economy (Johnson & Sherraden, 2007).

Financial knowledge- knowledge of financial matters such as bank accounts, investments, mutual funds, mortgages, credit cards, loans, Social Security, insurance, and taxes (Avard, Manton, English, & Walker, 2005).

Financial education -"any program that addresses the knowledge, attitudes, and/or behavior of an individual toward financial topics and concepts" (Fox, Bartholomae, & Lee, 2005 p. 195).

Assumptions

One assumption of the research is that the literature was readily available. However, time was a contributing factor in reviewing all of the available resources. It was assumed that the research reviewed was from scholarly sources.

Limitations

One limitation of this literature review is that the researcher made an attempt to review the available research on the topic of financial literacy and some of that literature may have been overlooked. A second limitation is the amount of resources available on the topic of financial literacy. In addition, other variables, such as how parenting affects a student's financial literacy, were not included in this review.

Chapter II: Literature Review

Introduction

This researcher will begin the literature review with an examination of financial literacy. Next, the researcher will discuss high school work experience and the effects that it has on financial knowledge. Third, the researcher will investigate financial education that exists in the school system. Finally, the researcher will discuss gender differences relating to knowledge about financial matters.

Financial literacy

Being knowledgeable about finances is crucial to being able to manage money, save for the future, and spend money wisely. A low level of financial knowledge will limit a student's ability to make realistic decisions concerning buying a home, funding children's education, and planning for retirement (Avard, Manton, English, & Walker, 2005). The majority of high school students who do have a high school job spend any money they earn on items they might not necessarily need. Being financially literate will help these students utilize their money more effectively.

Suiter and Maszaros (2005) found that from 1992 to 2000 the average person's income rose by 47 %. However the amount that consumers spent on personal items rose by 61 %. In addition to spending more than they earned, people were also not saving. Average adult Americans used to save about 6% of their income; recently, however, according to Suiter and Maszaros (2005), Americans had not been saving any part of their earnings.

According to Godfrey (2006), the average adolescent spends approximately $265.00 a month. When these same adolescents reach college they will begin to be hassled by credit card companies. On the average a college student can be solicited by eight credit card companies within their first week of attending college. These students are also experiencing large amounts of credit card debt. According to 2004 Credit Card Minimum Payment Warning Act as cited in Godfrey (2006), about 45% of college students have credit card debt. These students have an average amount of debt of $3,000.00.

Once someone has credit card debt it is difficult for them to get out of it. The average American pays approximately $8,000.00 a year in credit card payments (Godfrey, 2007). Educating students about the dangers of credit card debt may help them not get into debt in the future.

Schools are beginning to realize the importance of their students becoming financially literate and are using literacy quizzes as a way to determine the financial literacy of their students. One such quiz was given to rural and urban high school students. Urban students scored an average of 50% on the quiz, whereas rural students scored an average of 51% on the quiz. The students who scored higher were planning on pursuing post-secondary education. These same students were also working an average of twenty hours per week (Valentine & Khayum, 2005).

Certain communities offer financial classes to residents of the area. These programs help individuals realize their attitudes and knowledge when it comes to financial topics (Fox, Barthlomae, and Lee, 2005). While these programs are beneficial to the community some of them are out of date. A report performed by the Fannie May Foundation investigated some of these programs. The foundation found that of the ninety programs that were investigated, 65% of the programs began in the 1990s. However a majority of the programs began in the late 1990s or in 2000. Only ten percent of the programs investigated were twenty years old or older (Fox, Barthlomae, and Lee, 2005). It is important to make sure that the information that is presented is current or updated regularly in order to help families with their financial matters.

High school work experience

Working in high school has positive and negative effects on students. While working in high school can give students an income it can also take time away from their school work. A study from 1995 (Worley, 1995) found that the grade point average (GPA) of students who worked decreased as the number of hours they worked increased. The students who worked only on the weekends or babysat had an average GPA of 3.07 and 3.13 respectively. However Worley also found that the students who worked ten hours a week had a GPA of 2.95, ten to twenty hours earned a GPA of 2.77, and students who worked twenty to thirty hours averaged a GPA of 2.53. These results suggest that minimal work experience can be beneficial; however, too much work can interfere with a student's academic ability in school.

A contrasting study from 1984 (cited in Ruhm, 1997) found that high school students who had a part time job also had an increased class ranking. This correlation was found only for males and not for females. In addition, working during a student's sophomore year was related to a higher dropout rate among sophomores (Marsh, 1991). Morgan (1993) determined that other students who had part-time jobs tended to display more behavior problems and delinquent behavior. High school employment may not be the primary factor in a student's academic performance, but rather how the student utilizes his/her time is more important.

In contrast to the negative effects, positive effects can also be found. Positive effects of high school work experience included future income and employment status (Carr, Wright, & Brody, 1996). A study performed in 1991(Marsh, 1991), analyzed data from 1,015 high school students from thirty-six high schools. The study followed these sophomores for two years to determine their employment history and its effects. Marsh found that for the students who worked in high school, the most beneficial effect was that they saved money for college. Among the students who saved for college, these students were most likely to have a favorable attendance at college, spend more time on homework, have higher educational aspirations, and have a stronger academic self-concept. These students decided not to spend money frivolously and chose to save their money earned for future college expenses.

In addition to students saving money for college, there are other benefits. Some colleges look favorably upon a student's ability to handle work and school. The work experience that students have is a factor in their maturation process by bringing the student into contact with adults (Worley, 1995). Worley also suggests that when students work in high school they learn how to be more responsible and self-reliant. Adults can be the ones to encourage self-esteem and confidence in the students who work for them. Early work experience also helps promote the development of responsibility, improve educational performance, and help make for a smoother transition into adulthood (Ruhm, 1997).

Work experience also contributed to higher rates of employment for high school graduates. The pattern of relationships with post-high school earnings was not strong, however the majority of students who did have high school employment were found to earn more in later years (Morgan, 1983).

While having a strong self-esteem and confidence is important for students there are other skills that students will learn by having a job in high school. Students will be able to manage money more effectively, keep a checking and savings account, and file income tax forms (Worley, 1995). By realizing the hard work that goes into earning money, students who do work have a stronger appreciation for saving money.

Financial education in schools

High schools are beginning to implement classes that focus on financial literacy. States are requiring that teachers implement financial education into their core curriculum such as math, social studies, and economics (Johnson & Sherraden, 2007). The National Council on Economic Education (NCEE) did a survey in 2005 on how many states have financial education in their schools. The NCEE found that thirty-eight states have adopted standards for personal finance. However out of those thirty-eight states only twenty-three of the states were implementing the standards in their schools (Johnson & Sherraden, 2007). Additionally, only nine states in the United States expect that students take some form of test on personal finance (Godfrey, 2006).

In 2001 the Office of Financial Education (OFE) proposed that financial education should be provided to all students as a part of the school curriculum. Having a financial curriculum implemented in the schools is beneficial for a number of reasons. Schools have the capabilities to offer financial education in a setting that is comfortable to all students. Also, schools have the ability to provide teachers who are trained in financial curriculum. Having trained educators greatly increases the likelihood that the information presented is accurate and will reach all students. Finally, having financial courses offered in a school setting would allow every student access to the information that is presented. Ideally, teaching students how to manage their money would be provided to students in elementary, middle, and high school (Beverly & Burkhalter, 2005).

One reason for some states to have problems implementing financial standards in schools may be because it is difficult for them to determine how beneficial the classes actually are. The National Endowment for Financial Education High School Financial Planning Program (HSFPP) implemented a financial education curriculum into a high school. The program was evaluated at the end as well as three months after the class ended. The HSFPP found that the students had a higher knowledge, self-efficacy, and savings rates when it came to their finances (Fox, Bartholomae, & Lee, 2005).

Evaluating a financial program has benefits for the educators as well. Fox, Bartholamae, and Lee (2005) emphasize that when programs are evaluated educators have the ability to share their ideas with each other. By sharing their ideas they are able to discuss the effectiveness of the particular program and increase the effectiveness of their curriculum.

When deciding to develop a program that focuses on teaching students about financial knowledge it is important to consider if implementing a program will work. Tennyson and Nguyen (2001) caution educators about being certain that the program is effective for the students as well as the school. They stress that requirements for teaching financial literacy should expose more students to the topic. However, if these requirements are included into other areas of the curriculum they may not be as effective.

Additionally, teachers must be trained in the area of financial education in order to have students complete the curriculum successfully.

A recent study performed by Tennyson and Nguyen (2001) looked at how effective some of the state requirements for financial education were for students. Sixty-five schools with a total of 1,643 students were included in the study. Out of the 1,643 students, 804 had not previously had any financial education in school. Eight hundred thirty-nine students out of the 1,643 students had some type of financial class in school. The researchers found that when there is a specific mandate for teaching a financial course the students were more successful. Tennyson and Nguyen also found that when students are exposed to some type of financial course they are more likely to save and invest their money in the future.

Taking financial education courses may not be enough for some students to become financially literate. These students may need more hands-on activities that encourage financial literacy. Activities such as having an allowance, bank account, or investments have shown to increase the likelihood of saving as adults (Johnson & Sherraden, 2007).

Some schools have incorporated banks into their schools. According to Johnson and Sheradeen (2007), in thirty states there are approximately 198 high schools, forty - one middle schools, 207 elementary schools, two K-12 schools, and thirteen youth centers that offer a bank at school program. Credit unions are primarily the institutions that implement the program into the schools. Credit unions set up a bank at a school which allows students to open and make deposits into a savings account.

One bank-at-school program, Credit Where Credit is Due, Inc. (CWCID) offers students a savings match at the end of the year to the highest savers. This allows students who might not be able to put a lot of their money in their savings account to still build a savings (Johnson & Sherraden, 2007).

Having an allowance allows children to learn how to save for the future and spend money appropriately. Children who have an allowance learn to be more responsible when it comes to handling their money. These children also open savings accounts and use their allowance to deposit money to save for their future (Johnson & Sherraden, 2007).

Gender differences

In most situations women enjoy shopping and spending money. Some women are spending money on unnecessary items, not buying items on sale, and are more likely to be compulsive shoppers. Men are often in charge of balancing checking accounts and maintaining finances. Women can become more involved in their families' finances by becoming more confident in their understanding of money matters. Knowing how much they earn and how much they spend in bills can help women become more confident. It is important for both genders to learn to manage money (Whitaker, 2001).

Even though women may be more likely to be compulsive shoppers, women are better at investing their money, about 1.4% better. Men invest money but are more likely to trade often which can hinder a reasonable return. Women, on the other hand, invest their money and then let it stay there allowing them to have a larger return on their investment. Women realize that it is not realistic to make a lot of money in one day which allows them to have the larger return (Whitaker, 2001).

Males have been generally thought of as being more knowledgeable when it comes to money management and financial knowledge. One study (Murphy, 2005) looked at financial literacy and the differences between male and female college students. The researcher found that male participants scored higher than females on a survey of financial literacy. However, males did not score dramatically higher than females on a separate test indicating that there is not a significant difference in financial knowledge for males and females. As a result of the research, colleges are encouraging high schools to promote financial literacy for all of their students. In high school, students generally have the option of taking business courses to increase their financial knowledge. However these classes are an option and not all students enroll in them.

In the majority of workplaces there is a glass ceiling that exists. As a result of this glass ceiling, the amount of money that women earn seems to fall behind what men earn. The National Coalition of Girls' Schools (NCGS) is an organization that works to promote financial literacy for girls. The NCGS primarily works with all girls schools to promote financial literacy programs. In a study they performed, the NCGS found that there were similarities between the glass ceiling in the workplace and how girls have been achieving in math, science, and technology. The girls from this study were also behind boys in these subject areas. The NCGS recommends encouraging young girls in these subjects of math, science, and technology. By encouraging girls into these subject areas at a young age, it is hoped that they will be able to advance in areas as well as males have (Colletti, 2003).

Work experience and financial education are important topic areas when looking at students and their financial literacy. Many high school students finish high school without the adequate knowledge about how to invest, save, or wisely spend money they have earned. By participating in work experience programs, high school students can be more prepared when entering the world beyond high school.

Chapter III: Summary and Discussion

In this section, the researcher will provide a discussion on the key research findings derived from the literature review on financial literacy among adolescents. Implications and recommendations for future research will also be discussed.

Summary of findings

Having the ability to save, invest, and spend money wisely is important to being financially secure in the future. If students do not have that knowledge they may have more difficulties buying a home, planning for retirement, and saving for their children's college funds (Avard, Manton, English, & Walker, 2005). With prices of items steadily increasing the wages that some people earn are not always in line with those increases. Consumers are spending more and more money on personal items whereas the amount of money they earn cannot compete with that spending. As a result people are becoming more dependent on credit cards.

A recent study found that adolescents are spending approximately $265.00 a month (Godfrey, 2006). Most students do not have the financial capabilities to spend that amount of money with cash. Therefore, many students are turning to credit cards as a way to get the items they still want, even if they do not have the cash available for them. While credit cards make spending more accessible, if students do not have the financial knowledge on how to pay off their credit cards, they may be faced with large credit card debt. After graduation, students are more likely to be hassled about getting credit cards. This is a time when most students are on their own and making their own decisions. They may feel more independent and having a credit card can give them added independence. However if students are not careful credit card debt can add up very quickly. The average student has a credit card debt of $3,000.00 (Godfrey, 2006). Students who are knowledgeable about credit card debt and their personal finances will be better able to pay off their credit and manage their credit card wisely.

One way students can pay off their credit card debt is by having a job. However, if students are only working as a way to pay off their credit card debt then they are not able to save or invest any of the money they have earned. There are some advantages to having a job while in high school.

One advantage is that students learn to manage their time effectively. When students have school, a job, homework, and even extra-curricular activities there is not a lot of time left over. Therefore most students who have a job have learned to manage their time so they are utilizing it as effectively as possible. Some students who had a job while they were in high school noticed that their class rank was higher after they began their employment (cited in Ruhm, 1997). In addition to having a higher class rank, students who were employed in high school also were more likely to save for college (Carr, Wright, & Brody, 1996).

A second advantage to having a job while in high school is that colleges also tend to view a student's ability to handle work and school as encouraging. These students have the experience of working with adults and may appear to be more mature (Worley, 1995). They have learned how to be dependable and responsible in their job as well as in their schoolwork.

While there are advantages to having a job while in high school there are also some disadvantages. While having a job can make some students more dependable and have improved time management skills, some students display more behavior problems and delinquent behavior (Morgan, 1993). These students may find that there is too much going on in their lives with school and a job and they are not able to handle all of it.

A second disadvantage is that some students found that their GPA lowered in relation to the more hours on the job. Students who worked twenty hours a week or more had an average GPA of 2.53 (Worley, 1995). These students may have found that they were not able to complete all of their school work in addition to working numerous hours. The students who are employed a minimal amount of hours after school still had time to finish their school work as well as have a job.

In order for students to learn to be financially knowledgeable post-high school, schools should have a curriculum in place to teach students these skills. As of 2005, there were thirty-eight states that had adopted some sort of standard on personal finance. However, only twenty-three out of the thirty-eight states had put these standards into their school curriculum (Johnson, & Sheradeen, 2007).

Implementing a financial literacy program into a school's curriculum can be beneficial for a number of reasons. One reason is that more students are exposed to the topic. In addition, the school has trained educators who are able to teach the students the most effective ways to save, invest, as well as teach what students should be cautioned to (Beverly & Burkhalter, 2005).

While having a program in the school that teaches students how to be financially competent is beneficial, schools have difficulty implementing financial competency classes as part of their curriculum. Some schools may not have the capabilities to survey all of their classes in order to determine how effective they are. Schools are less likely to implement a program if they are unable to determine how effective it is going to be. The

National Endowment for Financial Education High School Financial Planning Program implemented a financial program into a high school. They found that the students who completed the course had a higher financial knowledge (Fox, Bartholomae, & Lee, 2005).

Some schools are turning to a more hands-on approach when it comes to trying to teach students about financial literacy. Some schools are placing banks in a school so that the students have access to them. The school bank operates the same way a regular bank would, giving students the ability to deposit and withdraw their money (Johnson & Sheradeen, 2007). The school bank teaches students how to save and invest their money as well as being responsible for any money they have earned.

Along with the bank-at-school program, certain schools offer matched earnings to each student. Students who deposit and save money into their savings account at school have what they put in matched by the bank that sponsors the program. By having a matched earnings system students who may not be able to put a lot of money into their account will still have the ability to save money (Johnson & Sheradeen, 2007).

While it is important to determine how to implement financial education into the school system, it is also important to consider differences between males and females and their own financial knowledge. This is important because it may help determine how the programs will be carried out.

Males have generally been thought of as the gender that is more savvy when it comes to financial literacy. They may be the ones who pay the bills, balance the checking account, and handle any spending money. Men may still be more financially knowledgeable but more women are starting to become more involved with their finances too.

Men and women invest money at a similar rate; however women are more likely to receive a larger return on money they invest (Whitaker, 2001). Women recognize that allowing their investment to sit for a period time is more beneficial to them in the long run.

Schools are beginning to recognize that women may be behind men when it comes to being financially literate. Males may score higher than females on financial literacy tests, but the scores are not dramatically different (Murphy, 2005). Other schools are developing programs for young girls that strive to increase their awareness when it comes to financial literacy. The National Coalition of Girls' Schools found that girls were behind boys when it comes to subjects as math, science, and technology (Colletti, 2003). These are similar areas that women are behind men in the workforce. Having girls take these types of classes and encouraging them to perform well can help close the gender gap that may be seen in the workforce.

Implications

This literature has several implications. First, students should be able to leave high school with the knowledge about how to manage their money more effectively. With this knowledge, students may be better equipped to plan for retirement and save for any future expenses. Also, being aware of the literature will help the public stay informed on the issue of financial literacy. School professionals, parents, and students can make decisions that will help students understand and take control of their own finances.

Recommendations

The literature on financial literacy indicates that there is more research that is needed particularly on the financial knowledge of high school students. One recommendation would be to determine the effects of a financial program of high school students after they have left high school. This may entail having longitudinal studies performed at the college level that inquire if students have taken financial education classes and what their financial practices are at that point in their lives. The majority of the studies that are performed on this subject involve current high school students and their current financial knowledge. Information about current high school student's knowledge of finances is important but it is difficult to determine how effective a program is in the long run. Having studies that evaluate the curriculum can help school districts make any changes that would ensure students taking the classes are receiving the best information. Districts that have the information about how effective a program is down the road may be more likely to keep the courses available and make them more of a priority rather than an elective.

Further research is also needed in the area of how to implement financial programs into elementary and middle schools rather than solely at the high school level. The bank-at-school programs are a start. However, not every school has implemented a program such as this. Having financial courses starting in the elementary can have younger students begin thinking about saving money for something they want. Parents are also able to help their children learn the benefits of saving and investing at a younger age.

Another recommendation is to incorporate financial courses into other areas of a school curriculum. Other course objectives that could incorporate financial matters would be to have students write a paper or read books about people who have experienced financial hardships or successes for an English class. Another objective would be to have students calculate loans and interest rates for a math class. Students could also learn more about the Depression and its effects on society for a social studies class. By expanding the course into other areas students have the ability to see how financial matters can relate to a variety of aspects of their lives.

A final recommendation would be to have states require that financial classes be taught and that all students must take them. Requiring financial classes ensures that all students are learning how to save and invest their money. Students will also be required to learn about credit cards and interest rates associated with them. Learning about credit cards before leaving high school may help some students avoid opening a credit line in the first place.

Schools should also be required to evaluate their financial education programs every two to three years. This ensures that the information being presented is current and most beneficial to all students. In addition, having trained teachers teach the topic to students will help ensure that all students are learning the most current information available.

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