



## Financial Education Public-Private Partnership

Setting the Washington Agenda for Financial Education

# Financial Education in Focus

### History

Today the Financial Education Public-Private Partnership (FEPPP) continues to pursue its mission of educating and promoting financial education for youth and young adults in Washington State.

- During the 2004 legislative session, the Washington State legislature created the Financial Literacy Public Private-Partnership (FLPPP).
- FLPPP was tasked with developing strategies for improving the status of financial literacy in Washington.
- In 2009, the partnership was renamed the Financial Education Public Private Partnership (FEPPP).

### Statistics and Motivating Factors

Financial literacy is a basic survival skill in today's financially complex world. It's imperative that financial education is offered in kindergarten through twelfth (K-12) grade classes so our students can make wise decisions about:

- Buying a car
- Shopping for a good rate on a mortgage
- Saving for retirement
- Buying cost-effective insurance
- Creating a budget
- Taking out loans (ex: payday lending vs. short term loans from their local financial institution)

The Washington Financial Literacy Work Group documented the following financial discovery in their 2008 report:

- 17 states require personal finance instruction incorporated into other subject matter.
- Participation and results of the first National Financial Literacy Challenge in April 2008 were encouraging:
  - WA ranked 11<sup>th</sup> in participation with 1,332 students participating
  - WA had one student with a perfect score
  - WA ranked 11<sup>th</sup> with 11 students in the top 1<sup>st</sup> percentile
  - WA ranked 13<sup>th</sup> with 305 students in the top 25<sup>th</sup> percentile
- 34 out of 54 K-12 teachers (63%) believe training is needed to start a financial education program.
- Most experts agree the need for financial education is greater than ever due to the increasing number of scams, con-artists and frauds creating new ways to victimize consumers.

A 2008 study by the Boys & Girls Clubs of America and the Charles Schwab Foundation indicate significant improvement with financial education:

- Teens who reported learning about saving money were more likely to save regularly (72% vs. 57%).
- Teens who learned to track spending were more likely to report having developed a budget (50%) vs. those who learned little or nothing (29%) and also more likely to save money to purchase something (80% vs. 60%).
- Youth who reported learning to create and maintain a budget were more likely to report actually developing one (50% vs. 30%).

### A sample of FEPPP Accomplishments

- Provided several professional development trainings to hundreds of teachers throughout Washington State.
- Worked with Office of the Superintendent of Public Instruction (OSPI) to include several financial literacy questions on state competency assessments.
- Adopted content standards for personal finance for the state of Washington.
- Created a resourceful website [www.fePPP.org](http://www.fePPP.org) for the general public and teachers, which includes state and national standard curricula on financial education.
- Worked with OSPI to make financial literacy a part of the state social studies standards for seventh grade students.

### FEPPP's Future Goals

FEPPP is excited about launching a district-wide pilot project. By teaching financial education at various grades in a school district, we can provide curricula and other resources to more teachers in Washington State. We want to help teachers prepare students for life beyond school, so they have the knowledge to make wise financial decisions. We believe that teaching financial education to students will help them avoid financial pitfalls in their future and in turn, will create a better economic environment in Washington State. Other FEPPP goals include:

- Enhance FEPPP web site to include financial education interaction for teachers and students.
- Develop a plan of action to support and integrate personal finance within the structure of the Common Core State Standards (CCSS)

### Summary

FEPPP is committed to creating effective paths for financial literacy from kindergarten through college and ensuring that Washington citizens achieve excellence in their financial knowledge and skills.

*"It is critical that all students obtain financial education before they graduate. All students should be required to take a personal finance class to graduate. Our students are going to college and yet do not know about credit, debt, stocks, mutual funds, 401(k)s, banking (reconciling a checking account), financing a house or car, what the Federal Reserve is, etc. Please add financial education as a graduation requirement."*

- Diane Bates, Squaticum High School Personal Finance and Accounting Teacher <sup>1</sup>

Thank you for your continued interest and support of the FEPPP!

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<sup>1</sup> WA State Financial Literacy Work Group Report 2008.