

Should Schools Teach More Financial Literacy?

Last night I resolved an issue that's been haunting me for a while: I balanced my checkbook. And let me tell you, it's a good feeling to get something like that off your chest and know you're keeping tabs on your bank account!

Unfortunately for many young people, the uneasy feeling about their bank account never resolves. According to a new study out of the U.K., "nearly a third of young people... say they are too scared to look at their bank balance," largely because they recognize they have a problem managing their finances:

"Chris Coates, 23, a sports management student at Coventry University, said he and his peers often prioritised convenience over responsibility when it came to spending money.

'It's a vicious circle – the longer I don't check it, the higher the pressure when I do finally get round to taking a peek. My money management has led to some pretty embarrassing situations – my card actually got declined on a first date once and she ended up having to pick up the tab. Not a great start,' he said."

Sadly, students in the United Kingdom aren't the only ones who seem to be deficient in financial literacy knowledge. A couple of years ago, the OECD (the organization which runs the PISA exam) tested students in 18 countries for their financial literacy abilities. [Not surprisingly](#), "the U.S. ranked at best eighth and at worst 12th." This result was even after students were asked to answer relatively simple questions, such as the following example from [the OECD](#):

FINANCIAL LITERACY – EXAMPLE N° 2: SPENDING CHOICES

Claire and her friends are renting a house.
They have all been working for two months.
They do not have any savings.
They are paid monthly and have just received their wages.
They have made this "To do" list.

- To do
- Get cable TV
 - Pay the rent
 - Buy outdoor furniture

QUESTION 2 – SPENDING CHOICES

Which of the tasks on the list are likely to need prompt attention from Claire and her friends?

Circle "Yes" or "No" for each task.

Task	Is the task likely to need prompt attention?
Get cable TV	Yes / No
Pay the rent	Yes / No
Buy outdoor furniture	Yes / No

A recent article in the [New York Times](#) found math instructor Andrew Hacker questioning if we should really force students to take as much advanced math as we do. In his opinion, forcing students to take so much advanced math is more of a pride issue than a necessity, particularly as only 5% of students will likely use that advanced math in their jobs one day.

Based on his comments and the OECD study, should today's classrooms consider focusing less on teaching advanced mathematics and more on basic financial literacy?

—

Dear Readers,

Big Tech is suppressing our reach, refusing to let us advertise and squelching our ability to serve up a steady diet of truth and ideas. Help us fight back by [becoming a member](#) for just \$5 a month and then join the discussion on Parler [@CharlemagneInstitute!](#)

Image Credit:

Ed Yourdon via Flickr <http://bit.ly/1hYHpKw>