

U.S. Kids Can't Compete Globally in Financial Knowledge

When it comes to finances, Americans are quite adept at spending.

But when it comes to other aspects of finances – such as the all-important one of saving – Americans have a bit of trouble. As *USA Today* [recently reported](#), roughly seven in 10 Americans have a savings of less than \$1,000.

That savings track record isn't good both historically and globally. According to *USA Today*, "personal savings rates in the U.S. 50 years ago were double where they are today, and nearly all developed countries have a higher personal savings rate than the United States."

Those numbers seem to be reflected in the international PISA test. In the most recent PISA exam, 15 year-olds in countries around the world were tested on their financial literacy in addition to math, reading, and science. As usual, American students had a [mediocre score](#), ranking between eight and 12 out of 18 countries, and measuring below other developed nations like itself.



One of the [sample questions](#) from the OECD on savings runs as follows:



I'm not sure about you, but it doesn't seem like kids would have to be rocket scientists to figure it out... it just basic common sense.

Thankfully, it seems like some schools are taking notice and trying to teach plain common sense. Take [Washington schools](#), for example. The state just adopted new standards which require students to “learn about financial subjects like spending and saving – and why they’ll need to know about wages, insurance premiums and Roth IRAs when they’re adults.”

Would today’s students be better served if more schools followed Washington’s example and taught the basic financial knowledge which students will one day use on an everyday basis?

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