



Economic Crisis Spurs Personal Finance Classes

(Feb. 10, 2009) High school teacher Daniel Jackson is reviewing lessons some adults would find difficult: mortgage loans, down payments, interest rates and closing costs. He tosses calculators to students, chastises them for not studying enough and urges them to apply problem-solving skills to decipher complex mortgage information. "This is a tool for you to use," he says. "I'm not giving you a hammer so you can stuff it in a sock drawer."

Soaring foreclosure rates and credit card debt are spurring some states to consider requiring personal finance classes in order to get a diploma, sparking criticism that parents should teach financial basics at home instead of packing life lessons into an already tight school day.

But advocates say the numbers — \$900 billion in credit card debt and an 81 percent increase in foreclosures last year — show the dire need for financial education. "The silver lining to our country's economic conditions just may be that we place a greater emphasis on financial education, which does our country well for many generations," said Laura Levine, executive director of the National Jump\$Start Coalition.

The push for personal finance legislation began earlier this decade, according to the Jump\$Start Coalition, which tracks state laws on the subject. Only three states — Utah, Missouri and Tennessee — now require students to take a one-semester personal finance class before graduating. Another 17 states require finance skills to be covered in other subjects, such as economics, social studies or math. Indiana and Kansas are considering laws requiring personal finance to be taught from kindergarten through high school.

The hope is to teach teenagers about credit before that first credit card offer arrives in the mail, and to show them how retirement accounts work before they land their first job. Younger children can learn how to compare prices or save money. Schools once routinely covered basic finances such as balancing a checkbook, Levine said. Over the last several decades, educators started focusing more on college preparatory classes like science and math, she said, and the emphasis on basic living skills eroded.

A survey last year found that many teenagers struggle with finance. High school seniors averaged correct answers on only 48 percent of personal finance and economic questions, according to the nationwide survey released last year by the Federal Reserve. That was down from 52 percent in the previous survey in 2006 and marked the worst score of six surveys conducted so far.

The President's Advisory Council on Financial Literacy — formed last year to help more people understand basic money ideas — supports requiring financial education in kindergarten through 12th grade. Too many people are obtaining mortgages they don't understand and can't afford, while others lack skills to keep a budget, understand credit or save for the future, said Charles R. Schwab, the group's chairman. "While there are

many causes to the economic problems facing the country, it is undeniable that a lack of financial literacy is a contributing factor," Schwab wrote in the group's first report this January.

But some question whether that financial focus belongs back in schools. The Indiana State Teachers Association says incorporating some aspects of personal finance into existing classes might work. But the union worries that tacking on a new required class — or forcing schools to teach extensive personal finance material — would squeeze out other important topics covered by federal and state accountability standards. "If they're going to add it as a requirement, then they need to remove a requirement somewhere else," said Dan Clark, the union's deputy director. "Clearly it becomes an unfunded mandate."

Tennessee did not provide schools with added funding to handle its new requirement for a one-semester personal finance class. Most high schools simply assigned an existing teacher to cover the class required for students entering high school this fall, said Rachel Woods, a spokeswoman for the Tennessee Department of Education. "Part of providing a solid education is providing a well-rounded education," Woods said. "For many students, that understanding of personal finance is critical to being a productive member of our society."

Many children learn money skills from their parents, who can show them how to open a checking account or calculate net pay. Advocates say good habits taught by parents can be reinforced by classes at school.

Jackson tries to stress the importance of frugality and money management during his classes at Lawrence Central High School. Last semester, his personal finance class took a break from the textbook and studied the credit crunch. "We focused on the impact that poor decision-making can have on one's personal finances as well as the overall economy," Jackson said. "It's a real-life perspective."

Senior Jessica Hipskind said she hopes to use what she's learned about mortgages in Jackson's business math class to buy a house one day. "Some of it is hard," she said before taking a test on calculating mortgages. "But once you get the hang of it, then it gets easier every time."

—Associated Press

Florida Coalition News

Economist Dr. Scott Brown to Speak at Florida Jump\$tart Coalition® Meeting on Mar. 10 in Kissimmee

Make plans now to attend the semi-annual Partner/General Membership Meeting on Mar. 10 from 1-3:30 p.m. at the UF/IFAS Osceola County Extension Services located in Osceola Heritage Park. Dr. Scott Brown, Chief Economist from Raymond James, St. Petersburg, will give his perspective of the current economic outlook and answer your questions. Also Dr. Michael Gutter, Assistant Professor, University of Florida IFAS, Gainesville will recap Florida Saves Week. We'll also have time for sharing your latest financial literacy outreach efforts, upcoming events and volunteer efforts. Please RSVP or contact us for further information at fjumpstart@ficpa.org.

Changes to Board of Directors - Florida Jump\$tart Coalition®

At the January meeting of the Board of Directors, several changes were made to the Board for 2009.

- Regions – George Owen (added to the board)

- War on Poverty Florida, Inc. – Karen Landry and Tonisha Gaines (added to the board)
- Florida Council on Economic Education – Clinton Mueller (replacing Walter Balsler)
- Florida Department of Education – Beth Bouchard (replacing Beth Gladden)
- Florida Credit Union League – Cassandra Grayson (resigned as Vice President but will remain on the Board of Directors)
- Florida Institute of Certified Public Accountants – (Brenda Hubbard to President and Kathryn Anderson to Co-President)

Upcoming Events

Tuesday, March 10

Florida Jump\$tart Coalition® Board Meeting

10:00 a.m.–12:30 p.m.

Florida Jump\$tart Coalition® Partner/General Membership Meeting

1:00–3:30 p.m.

University of Florida IFAS Extension Office; Kissimmee

Wednesday, March 18, 2009

Consumer Banking Conference: Promoting Financial Stability in the Americas Through Access to Banking

Florida International University, School of Business, Miami

See [Consumer Banking Conference](#)

Friday, March 27, 10 a.m.

Florida Jump\$tart Coalition Board Meeting by conference call

April 2009

National Financial Literacy Month

What is your organization doing? Please send us your information to share with other partners.

April 1, 2009

National Jump\$tart Board, Partners and State Coalition Leaders' Fund Raising Dinner, State Leaders' Meeting, National Committee Meetings

Washington, DC

April 2, 2009

National Jump\$tart General Partners' Meeting and National Board Meeting

Washington, DC

April 20, 2009

3rd Annual Financial Literacy and Education Summit Webcast

April 21, 2009

Teach Children to Save Day

National and Florida Bankers Associations; register at

<http://www.aba.com/ABAEF/TCTSReg.htm>

News Briefs

Teach Children to Save Marks Launch of Million Child Challenge

Banker registration is open for the 13th annual [Teach Children to Save](#) program. This year's program, observed Apr. 21, marks the launch of the [Million Child Challenge](#). The foundation is calling on bankers and other organizations to accept the challenge and help reach 1 million students with savings lessons in 2009. By reaching the Million Child Challenge, bankers will double the 540,000 young people reached in 2008. Registered bankers will receive companion materials and recognition in ABA print publications and online. For more information on the Teach Children to Save program, view out [Frequently Asked Questions](#) page or visit us online at www.abaef.com. [Teach Children to Save registration](#). [List of banks already registered](#).

–ABA Educational Foundation

3rd Annual Financial Literacy and Education Summit Webcast

On Apr. 20, 2009, the Federal Reserve Bank of Chicago and Visa Inc. will co-host the third annual *Financial Literacy and Education Summit*, uniting public policy, NGO and private sector experts to discuss how to address economic challenges facing people around the world. This year's Summit will focus on global financial education strategies and best practices for consumer empowerment. Sign up to watch the Summit webcast and stay informed about Summit speakers and schedule.

Register at: <http://www.practicalmoneyskills.com/summit2009/>

–Practical Money Skills for Life

Online Financial Education Classes Offered at University of San Diego, Division of Continuing Education

Financial literacy teachers interested in honing their financial education skills while earning graduate level credit can do so conveniently through two online courses offered by the University of San Diego and the Practical Money Skills for Life program.

Both courses, **Personal Economics for Teachers** (EDU 590EA) and **Teaching Money Management** (EDU 590EB) are taught online by an instructor and can be taken simultaneously. Students have 60 days to complete the online portion of the course and are given up to six months to complete additional assignments. Teachers who successfully complete each course earn one semester unit of graduate level extension credit. The cost is only \$65 per class. Teachers interested in registering for these classes should call **1(888) 321-6658** or visit the [University of San Diego Division of Continuing Education Independent Study Programs](#).



–Practical Money Skills for Life

Early Tax Returns Show Numerous Recovery Rebate Errors

(Feb. 3, 2009) The IRS reported that an early sampling of this year's tax returns shows great confusion about last year's recovery rebate. According to the Service, about 15% of all individual tax returns filed so far contain errors involving the recovery rebate credit.

The mistakes include returns that claim the credit when the taxpayer is not entitled to it, returns that claim the wrong amount for the credit, and returns that have the amount of last year's rebate check improperly entered on the recovery rebate credit line (line 70 of the 2008 Form 1040).

The IRS sent out about 119 million recovery rebate checks last year, as provided by the Economic Stimulus Act of 2008, P.L. 110-185. The rebate represented an advance tax credit for tax year 2008 and was available to individuals other than nonresident aliens, dependents and estates or trusts.

On their 2008 returns, taxpayers must reconcile the amount they received last year in a recovery rebate check (if any) with the amount of the credit they were actually entitled to. If the amount of the check exceeds the amount of the allowable credit, the taxpayer will not have to recognize the excess as taxable income. If the amount of the check was less than the amount of credit the taxpayer is entitled to, the taxpayer will be eligible to claim the difference on the 2008 return.

The 2008 Form 1040 instructions include a worksheet for properly figuring the amount of the credit. (See pages 62–63 of the Form 1040 instructions or pages 17–18 of the Form 1040EZ instructions.)

–*JournalofAccountancy.com*

“Financial Fridays” from National Jump\$tart

Feb. 6

InCharge Education Foundation (www.InChargeFoundation.org) is a national not-for-profit organization dedicated to helping Americans acquire the information and gain the skills necessary to become more informed financial decision-makers. The organization strives to accomplish this by providing educational products and services to the public, particularly to underserved populations whose financial education needs are not fully addressed by others.

InCharge assists military personnel and their families through its Military Money educational outreach program that includes Military Money magazine distributed for free at U.S. military installations and its weekday Military Money Minute radio segments.



InCharge also offers financial literacy education programs for young people such as the NEFE High School Campus, an online resource to complement the NEFE High School Financial Planning Program. The new Credit Booster High School program educates teens about consumer credit and money management, and it is available free to educational, governmental and charitable not-for-profit groups. The Foundation's online Personal Finance Education program (www.PersonalFinanceEducation.com) helps pull financially distressed consumers from bankruptcy. InCharge Education Foundation is also a partner and board member with the Florida Coalition!

For archives of past Financial Fridays, see the Download tab at www.jumpstart.org.

News and Recent Events From Our Partners

Affordable Housing Today Promotes Financial Literacy at Schools

Jump\$tart Partner Grace Estivenson, Director of Affordable Housing Today recently promoted financial literacy and Florida Saves Week at Bridgewater Middle and West Orange High School in Orange County. Parents and students both stopped by the exhibit to learn about different ways to save and how to be financially educated.

“Florida Saves” Week, part of the national “America Saves” campaign, aims to help Floridians learn how to better manage their money by stressing the importance of saving

and building wealth. Studies show that most Americans do not have adequate savings for emergencies let alone retirement, and that 70 percent of Americans are living paycheck to paycheck.



Welcome New Partners

Florida Department of Education
Bureau of Curriculum and Instruction
325 W. Gaines St., Ste. 432
Tallahassee, FL 32399
(850) 245-9965

Beth Taliaferro Bouchard
Director, Office of the Humanities
beth.bouchard@fldoe.org

Financial Literacy Resources

Get a Free Estimate of Your Credit Score

When you apply for credit, lenders determine your credit risk by examining your credit scores, also known as FICO® scores. You can get a free estimate of your credit score by using the VISA's FICO® Score Estimator <http://whatsmyscore.org/estimator/>.
—Practical Money Skills for Life

Volunteer Opportunities

Do you need assistance with a project or outreach effort? Let us know.

Florida Jump\$tart Coalition® for Personal Financial Literacy, Inc.



Inquiries or articles may be sent to:
Florida Institute of Certified Public Accountants
325 West College Avenue
Tallahassee, FL 32301
Attn: Brenda Hubbard
850-224-2727, Ext. 419
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This newsletter is published monthly by the Florida Jump\$tart Coalition® for Personal Financial Literacy, Inc. and is sent to active partners. Previous issues of the newsletter can be found on the Web site.

Please contact us if you believe that you are receiving this newsletter by mistake, are a current Partner that has not been receiving the newsletter, or wish to update your contact information. Any additional concerns or questions should be directed to FLJumpstart@ficpa.org.

This newsletter is one of our primary communication tools. We invite Partners to submit articles, photos, or news briefs about your innovative ideas, research, activities and events. Financial education is rapidly growing in Florida. We need your help to stay on top of trends and information. Please submit your information to FLJumpstart@ficpa.org.

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