

Coalition project aims to make students financially savvy

By MEG FRASER

Last year, the U.S. Treasury challenged 75,000 high school students nationwide by asking them 35 questions dealing with personal finance. Of that group, only 362 answered 33 or more questions correctly – an issue that local education advocates believe needs to be addressed.

"That's half of a percent of those students who took the challenge," said Jim Hedemark, executive director of the R.I. Jump\$tart Coalition. "We've found that in a given year, five to six percent of high school students take a class dedicated to personal finance and we don't believe that's enough."

To change those figures, Jump\$tart – a nonprofit organization dedicated to increasing financial literacy in young people – hosted an event last Wednesday at the Roger Williams Park Casino to kick off the Rhode Island Youth Financial Education Expansion Program (RIFI).

"Can anyone here think of anything more important to take in these times?" Hedemark asked the crowd.

The pilot program is funded through a \$25,000 federal grant secured with the help of Senator Jack Reed. Additional support is being provided by the Council for Economic Education, Domestic Bank, the Rhode Island Higher Education Assistance Authority, the United Way of Rhode Island and the Rhode Island Student Loan Authority. Cost of the pilot is at least \$50,000.

In addition to highlighting the need for financial education, Hedemark applauded the work of 10 Rhode Island high schools – including Pilgrim – that have already committed to

increase the quantity and quality of personal finance classes. This spring, training will be offered to educators at the participating schools who will then devise strategies to be implemented in the fall of 2009. While the approach will vary from school to school, all programs will be asked to conduct testing before and after each course to measure effectiveness.

"We are going to change this problem we have across this state and across this country and we need to do it one school at a time," said General Treasurer Frank Caprio.

Looking back on his own experiences in high school, Caprio said he was fortunate to have a finance teacher who touched upon lessons he now uses daily.

Guest speaker Anthony Maione, president and CEO of United Way of Rhode Island, said his son was not as fortunate. When the time came to start planning for college, Maione explained to his son that he would end up about \$50,000 in debt.

"He said, 'Is that a lot of money?'" Maione recalled, laughing and adding with a sense of urgency, "we need financial literacy in our schools."

Executive Director of the Rhode Island Student Loan Authority Charles Kelley agreed, explaining that the idea for partnering with Jump\$tart first came about when colleges began to approach RISLA in regard to getting recent graduates on their feet.

"We realized it's kind of late at that point so we started to try to get to the students before they got out of school," Kelley said.

As the administrator for the

College Planning Center, Kelley also encouraged educators to go over options with students at the high school level. He said the center would see close to 6,000 students and families this year – all of who are concerned about financing a college education. He believes going to CCRI or another state institution for two years before transferring to a more expensive school is a great option in these economic times.

"The diploma is the same and you've saved a huge amount of money," he said.

The state of the economy was addressed by all of the speakers, particularly in terms of managing personal finances under budgetary constraints.

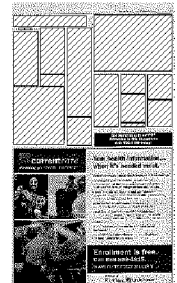
"If you learn in high school how to take care of your money, you'll be able to take care of your family better someday," Maione said.

"I don't think any of us have been through anything like what we're going through right now. Financial education for our youth is critical," agreed Dean Holt, the president and CEO of Domestic Bank.

For its part, Domestic Bank will share best practices and offer seminars throughout the state on subjects like buying a home and basic banking.

Paul Horwitz, a community affairs specialist for the Federal Deposit Insurance Corporation's Boston office, said these lessons are coming at the perfect time because financial experts no longer have to make the case for financial education. Despite poor economic conditions, he said the silver lining lies in the positive steps organizations like FDIC are taking.

"It's a great time to be opti-



mistic," he said.

Also speaking at Wednesday's event were Executive Director of the Rhode Island Higher Education Assistance Authority William Hurry Jr., and G. Scott Guild, the director of economic education for the Federal Reserve Bank of Boston.

"If it stops here, it's not enough," Guild said, applauding Hedemark and his colleagues for recognizing that the road ahead involves tackling financial education on multiple

levels.

"I'm very interested in and supportive of programs like the Jump\$tart program who recognize the role of parents, the role of teachers and the role of the community," he said.

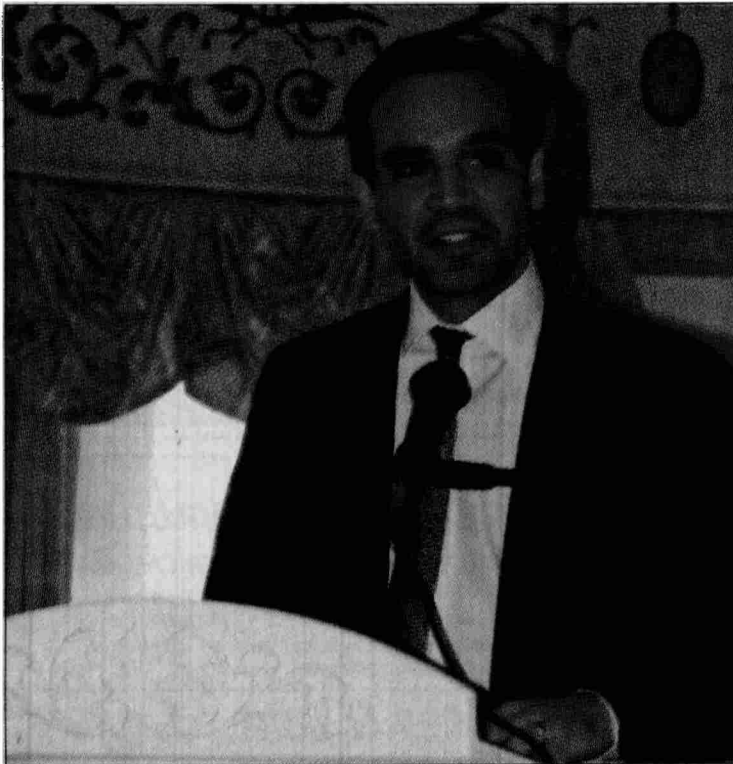
While the economic downturn was a common theme, program supporters said that the goal of achieving greater financial literacy is attainable. Honored at the event were two Rhode Island students, Monica Baker of Cranston and David

Tong of Barrington who were among the 362 high scorers on the National Financial Literacy Challenge. Hedemark congratulated them on their achievements and said that the program is positive for students but also for teachers and community members - all of who, he believes, should attempt to increase their financial literacy.

"Financial literacy is not a state," he said, "it's a lifelong commitment."



MONEY MATTERS: A crowd of educators, administrators and Rhode Island officials listen to a panel of guest speakers addressing how to approach financial education in schools. (Beacon photo by Meg Fraser)



TALKING CENTS: General Treasurer Frank Caprio discusses the importance of financial literacy at the Jump\$tart RIFI kickoff event.