

FINANCIAL LITERACY Breaking the Cycle

Students sign up for a personal finance class because they realize a personal need to be prepared for their future. One of our current students has described how his family has major credit score problems and had a hard time purchasing a house. He recognizes the struggle that they experienced and hopes to make his life easier in the future. He recently told me that he accomplished his first financial goal of saving \$150, observing, "It was very hard." He set this goal at the beginning of the school year and became conscious of where every penny of his money was going. Another student receives a paycheck card instead of an actual check. He feels that it's unfair to deduct a service charge every time he makes a purchase with his card because "it's *my* money." A third student feels that his family needs to prepare a budget and spend money on "the right things."

Many seniors are currently experiencing a financial crisis and trying to figure out how to pay for their college education. Many students tell me that their families are "just getting by" and that they have to pay their own bills (such as insurance and cell phone). They aren't able to work enough hours, they say, to cover those bills. One student realizes that she spends money on unnecessary things and then expects others to pay for her necessities.

Another student tells me that she signed up for this class because her parents never had a personal finance class and had to learn on their own. "They are still learning," she states. One of the ways they have learned is by paying high overdraft fees -- often. She sees the advantage of taking a class where this kind of information is clearly presented and feels that, if her family had known what she's now learning, they would have had a much easier life. A former student describes how she sat with her Polish-speaking parents during the closing meeting of their home purchase and was able to help the loan officer explain what they were doing and signing. Another former student, who became a fellow teacher at Central Catholic, was able to convert his college loan into a shorter-term, lower-interest loan because the personal finance class gave him the knowledge to take this step.

Elements of a Personal Finance Class

How do we develop this kind of awareness? Here are some of the class activities, innovative yet fairly simple practices that could be adopted in any finance class:

- We invite speakers from different industries to discuss business and financial literacy with students.
- Our field trip to the Federal Reserve Bank of Cleveland includes a tour of the bank.
- We include the Junior Achievement program by featuring six once-a-week topics presented by local businesspeople.
- Students create a podcast, starting with a one-page summary of a topic from our chapter. They then refine their paper into a 30-second audio clip that they record on their cell phones. These are easily forwarded to my email. I embed them in a PowerPoint presentation and play them as an introduction to the chapter.
- Students create a tri-fold brochure on topics such as FICO scores or auto insurance.

- Students create posters and information pieces on topics such as "Top 10 Ways to Save Money."
- Using markers and crayons, students create their own check on a piece of corrugated cardboard, including all of the key elements that are necessary on this kind of financial instrument.
- As part of our unit on maintaining a check register, students complete an online checkbook simulation that includes 20 entries representing three days' worth of account activity.

Building a Financially-Educated Society

I have been teaching the personal finance class for 12 years. We started offering financial literacy courses because of students who were receiving tuition grants from a local bank. This bank saw a general need for financial education in society, and its grants stipulated that awardees were required to take a personal finance class. Today, students sign up for the class as an elective. We've seen a growing demand in recent years as more students become aware of the impact that personal finance education will have on their lives. I can't tell you how often I've heard young adults say, "I wish I'd learned that in high school."

Many past students have reached out to me via social media and expressed their thanks for learning critical aspects of personal finance that have helped them navigate the expenses of college, manage their day-to-day lives, or even start a new business. Some students have wished that they'd paid more attention and learned even more. I feel that any exposure gained in a year-long finance class, from knowing the vast amount of financial vocabulary to being able to balance a checkbook, empowers young adults and leads to them creating and living successful lives.

[Carol Troxell's Profile](#)