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For immediate release

Illinois Does Well Offering Financial Literacy Education in High School Curriculum

Champaign, Ill., August 17, 2005 – Illinois is one of only three states currently providing high school students with financial literacy education that will prepare them to effectively self-manage their financial resources including retirement accounts. South Dakota and New Hampshire are the other states that mandate financial literacy education, according to a study conducted by three undergraduate students at the College of Business who were on campus this summer as part of the Summer Research Opportunity Program (SROP).

SROP is designed to expose students from under-represented groups to graduate study and to graduate-level research at a research-intensive institution.

President George Bush has advocated the establishment of self-managed retirement accounts as part of his proposed changes for Social Security. With the political debate surround that proposal as the backdrop for their research, the students used information available online and from state education officials to summarize high school graduation requirements for financial literacy and also looked at how various state programs are implemented. The undergraduate researchers defined financial literacy as the ability to read, analyze, manage, and communication about financial conditions.

Irma Briones, Kimberly Ng, and Clarissa Turner concluded that high school curriculums across the US reflect a systematic lack of education addressing personal financial topics. The states, say the authors in their unreleased report, are not making a major effort to use their economic power to promote financial literacy. Based on their analysis of graduation requirements, the authors note that more states mandate physical education, health, and art courses than financial literacy. “Life planning” approaches to personal financial education should increasingly be built into curricula to help young adults learn practical ways to think about the future, say the undergraduate researchers.

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“The states aren’t doing a great job of teaching financial literacy skills,” says Briones. “Not many high school graduates have the financial knowledge to self-manage their retirement accounts.”

According to Turner, “Illinois mandates a financial literacy class that helps students become intelligent consumers of financial goods and services. High school students study retirement, investments, shopping, and budgeting.”

The SROP researchers also looked a variety of socio-economic indicators such as per capita income and education expenditures per pupil to see if the data correlated to state requirements for financial literacy programs. They concluded that the indicators are not related to state high school graduation requirements.

“The lack of education in this area has resulted in serious financial illiteracy,” says Ng.

Briones, a junior, is a finance major at St. Edwards University in Texas. Ng is a senior at at Pontifical Catholic University in Puerto Rico majoring in finance. A junior at Livingstone College in North Carolina, Turner is majoring in accountancy. Virginia France, assistant professor finance, and Michael Sandretto, an instructor in accountancy, were the faculty advisors to the team.

Nationally recognized as one of the leading business schools, the College of Business at the University of Illinois Urbana-Champaign has outstanding programs in accountancy, business administration, and finance. The College enrolls approximately 3,000 undergraduates and 775 graduate students in MBA, master’s, and doctoral programs.

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