

topics education
strategies for education impactSM

Issue: Youth Financial Literacy

Open the newspaper today and you'll face a barrage of statistics about the instability of Americans' finances. In 2005, the average personal savings rate dipped into negative territory in the U.S. for the first time since the Great Depression. In 2007, declining home values and rising rates of foreclosure contributed to a shake-up in the mortgage industry that changed all the rules. And what will be next? Market collapse, recession? These headlines underscore the widespread need for – and in some cases, demonstrate the void of – consumer education surrounding personal finance.

North Carolina's Challenge

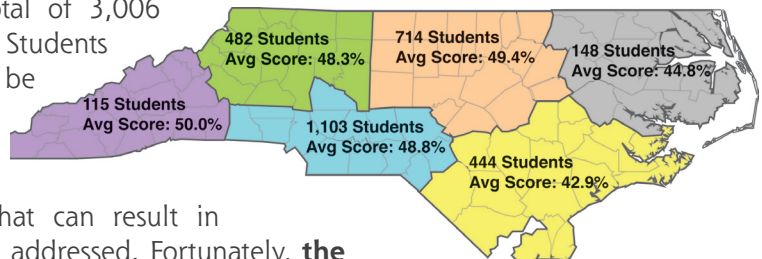
According to the National Association of State Boards of Education (NASBE), high school graduates from states with financial education requirements average higher savings rates and higher net worths relative to earnings than their peers in states without these requirements. Under the leadership of Senator Kay Hagan and State Treasurer Richard Moore, **the NC General Assembly passed a bill that would bring personal finance instruction into public high schools by the Fall of 2007. But what might that instruction look like? And what do North Carolina students know about money, how to save it, and how to spend it wisely?**

Topics Education's Solution

Topics Education worked with the Department of State Treasurer, Department of Public Instruction, and State Board of Education to design a survey that would gauge the level of financial literacy among NC students. The \$kill \$et Survey included 20 multiple-choice questions related to personal finance topics and was administered online to a sampling of 7th graders in public schools across the state. Collectively, the survey results provide a snapshot of these students' grasp of real-world topics such as savings and interest, credit, spending, and budgeting.

Our Results

Over the course of one week, 20 schools and a total of 3,006 students had participated in the \$kill \$et Survey. Students answered half of the questions correctly — 47.7% to be more precise. The survey results reinforce how young North Carolinians are like their counterparts in other parts of the country. They have deficiencies in their personal financial knowledge, skills, and behavior that can result in harm to themselves and society if they are not actively addressed. Fortunately, **the survey results have helped guide the state in determining how to integrate personal financial education into the North Carolina Standard Course of Study.**



\$KILL \$ET
SURVEY

Deficiencies in Personal Finance Knowledge Manifest Themselves in Harmful Ways

Sample of 3,006 7th Graders Surveyed Answered Only Half of the Questions Correctly

Results Helped Guide North Carolina in Integrating Personal Financial Education into Standard Course of Study

"Topics Education was a pleasure to work with — creative, enthusiastic, flexible, and professional. I would highly recommend them." — Jennifer Cohen, Deputy Chief of Staff