

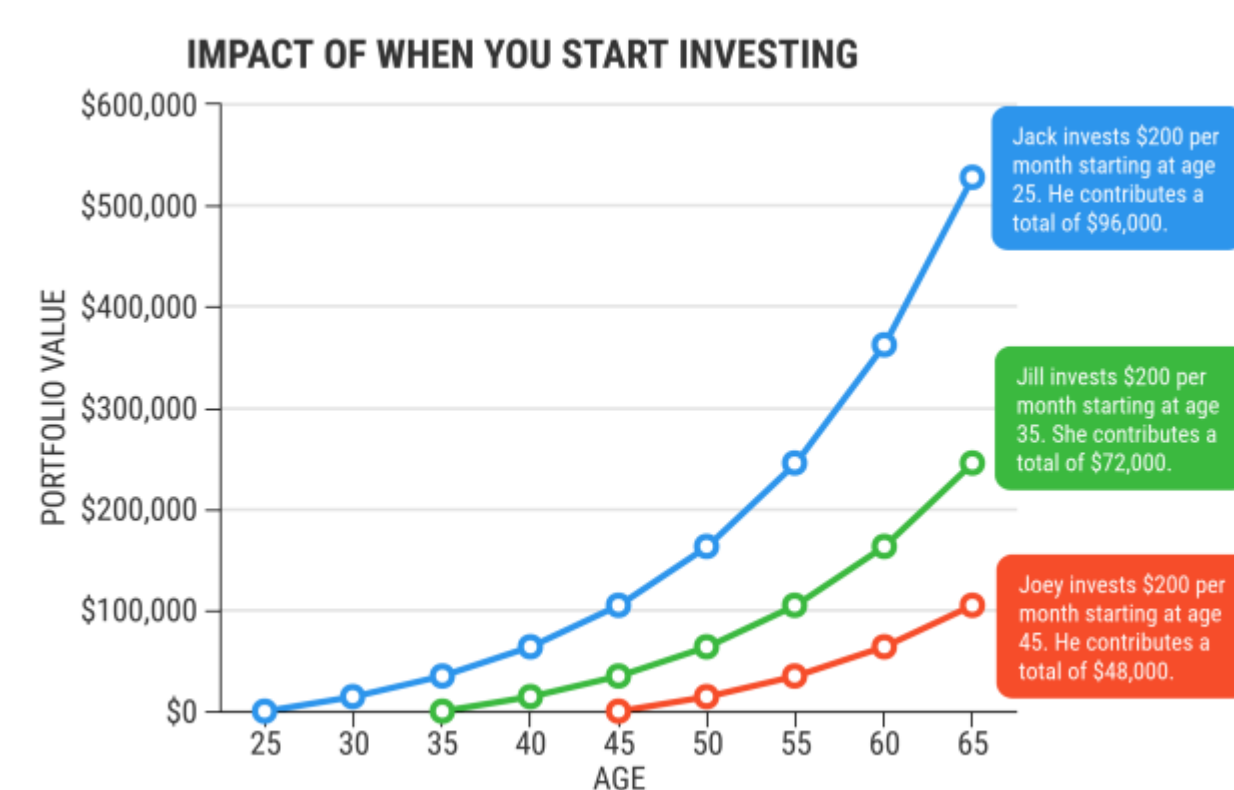
Financial Literacy in America

The current education system does not provide adequate financial education.

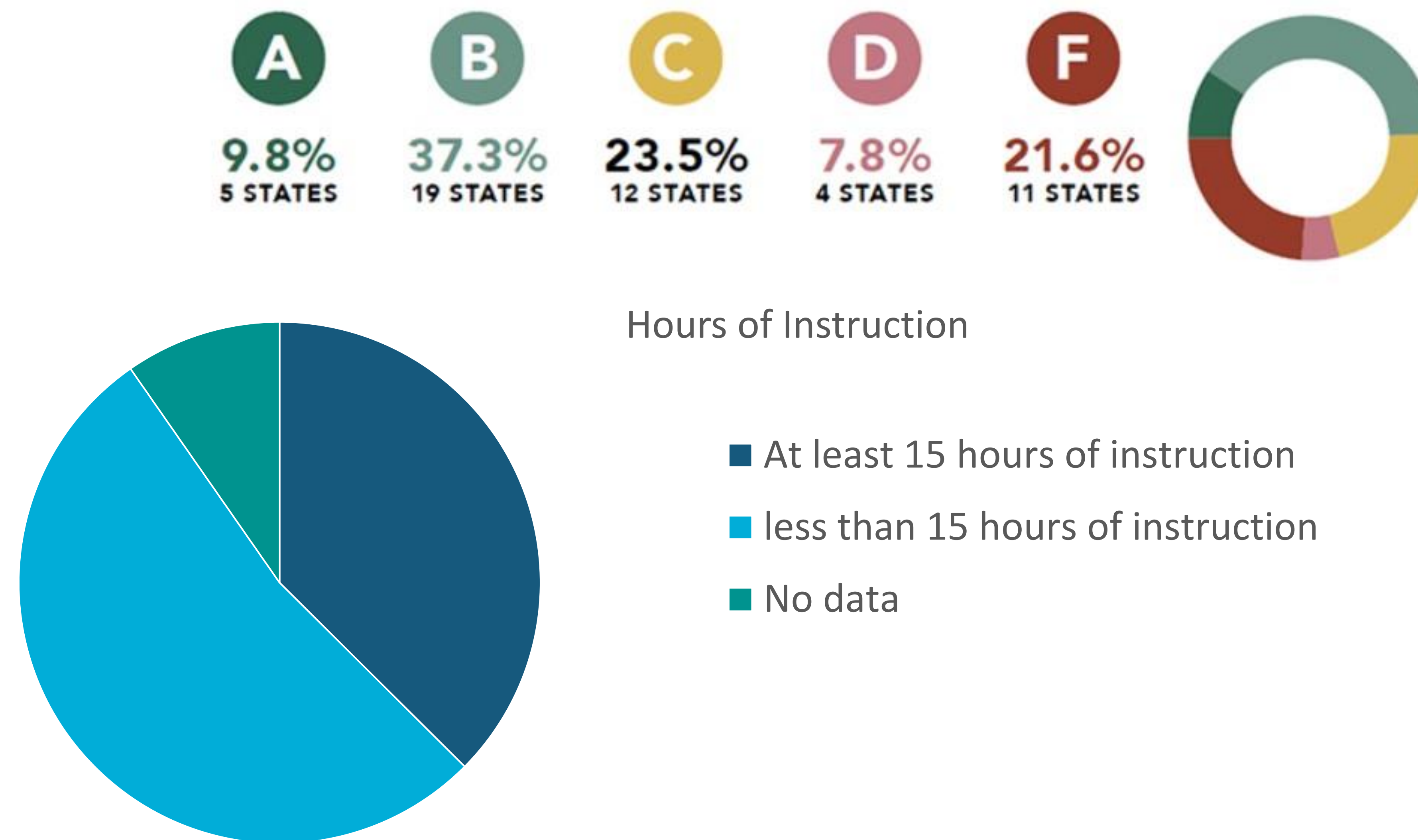
Introduction

Financial literacy is the understanding and effectively use various financial skills. When students leave high school, most have not been exposed to financial principals and will not be until they need to take out a loan or make another major life decision.

- Requiring a financial literacy course to the graduation requirements would help expose more students to financial principals.



compounding interest graph



Shows the current hours of financial education per state

Methods

The information that I found came from sources using surveys which asked basic financial questions covering Inflation, interest, and investing.

Results

Only one out of three people can answer basic financial questions, providing additional instruction would help these students. Now only eleven states require students to take more than fifteen hours of financial instruction.

“In the USA, less than 30% of respondents can correctly answer the Big Three by age 40 [Interest, inflation, investing]”

Annamaria, Lusardi (2019) Financial literacy and the need for financial education: evidence and implications..

Conclusion

The government should change high school graduation requirements to include at least one personal finance course. Even if the people taking the courses are not immediately impacted, they have been introduced to the information.