In 2019, GFLEC, with the support of PwC USA, will launch the Financial Literacy Fast Lane website! It will serve as a resource for all members of a school community who want financial education in the classroom. This site will bring together the best resources available to create and implement a successful financial education program in high schools. Sign up today to receive updates.

Are We Prepared?

THOSE WHO ARE FINANCIALLY LITERATE ARE MORE LIKELY TO

- Have precautionary savings
- Have planned for retirement
- Have financial investments, aside from retirement accounts
- Be current on credit card and loan payments

% who could correctly answer 3 financial literacy questions

<table>
<thead>
<tr>
<th>AGE</th>
<th>18-24</th>
<th>25-29</th>
<th>30-34</th>
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</thead>
<tbody>
<tr>
<td>13%</td>
<td>18%</td>
<td>24%</td>
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</table>

Source: TIAA Institute – GFLEC Personal Finance Index

Are We Prepared?

- Individuals have more responsibility for retirement savings
- Companies frequently change retirement plan options
- There are more ways to pay and borrow
- We have greater responsibility for understanding a complex economy

Recent data shows that less than half (46%) of Americans have set aside “rainy day” funds sufficient to cover their expenses for three months in case of an unexpected emergency (NFCS, 2015).

Almost 1 in 2 individuals with student loans have concerns about their ability to pay off their loans. If given the opportunity to go back, 53% would make a change to how they took out their loans. (NFCS, 2015).

Only 39% of Americans have tried to determine how much they need to save for retirement (NFCS, 2015).

Source: National Financial Capability Study 2015

1 FINRA Investor Education Foundation, National Financial Capability Study (NFCS) 2015.

Please visit GFLEC.org for additional information regarding our work and research.
According to the OECD Programme for International Student Assessment (PISA), in 2015, many 15-year-old students lacked basic financial knowledge. 1/3 of 15-year-olds across the 10 participating OECD countries/economies are able to tackle the most difficult financial tasks. 22% of 15-year-olds across the 10 participating OECD countries/economies do not have basic financial skills.

According to the National Financial Capability Study (NFCS), financial knowledge increases very slowly with age. Less than one-third of Americans know three basic financial concepts by age 40, even though most important decisions are made well before that age. Young people are already financial consumers and will soon encounter complex financial decisions, like student loans.

Student Performance in Financial Literacy

12% of 15-year-olds across the 10 participating OECD countries/economies are able to tackle the most difficult financial tasks.

56% Have a bank account
31% Have the skills to manage a bank account

Percentage of 15-year-olds across the 10 OECD countries

Financial literacy scores for 15-year-olds in the U.S. have not improved in the last three years.

We can do better to prepare them

START EARLY
A rigorous, standardized financial education course with regular testing was implemented in Texas high schools. This increased students’ credit scores and lowered delinquency rates on their debt. (Urban, C., et al., 2015. State financial education mandates: It’s all in the implementation. FINRA Investor Education Foundation).

MAKE FINANCIAL EDUCATION A PRIORITY
When financial education was taught as a specific course, there was a significant improvement in students’ financial literacy scores. (Tennyson, S. and Nguyen, C., 2001. State curriculum mandates and student knowledge of personal finance. Journal of Consumer Affairs, 35 (2), pp. 241-262).

TAILOR PROGRAMS

GET TRAINED
While many teachers agree that financial education is important, very few feel prepared to teach it. (Holden, K. and Way, W., 2009. Teachers’ background and capacity to teach personal finance: Results of a national study. Journal of Financial Counseling and Planning, 20(2), pp. 64-78).

Sign up at gflec@gwu.edu if you would like to be added to our mailing list.