The Financial Illiteracy of America's Youth and Its Impact on the American Economy

A proposal for a financial literacy course at Rutgers, the State University of New Jersey, New Brunswick, New Jersey

Tag Words: financial problems, financial illiteracy, youth, money, economics

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SUMMARY:

In today's modern world it is crucial for a person to be aware of their personal finances as well as what is going on in the national and global economy. Many college students avoid trying to learn the financial current events because of its unfamiliarity. This is why our service project focuses on initiating a course that will be taught through the Rutgers University's Freshman Interest Group Seminar (FIGS). The curriculum will cover areas of personal finance as well as including topics of the current economic market. We are living in a fundamental time in the world's history where the driving force is the global economy. Students need to be aware of the current economic events as well their personal finances to enhance the productivity of the global economy as well as prepare themselves for life after school. (CR)

Video link: http://www.youtube.com/watch?v=6cCcH9UK3cE&feature=channel_video_title

FINANCIALLY ILLITERATE YOUTH

INTRODUCTION

(JP) A large segment of American society is comprised of youths in high school or college. In fact, as of 2006, 39.7% of Americans are college students. This is significant because much of the U.S. economy's future will be dependent upon the financial and investment decisions of this group of people. Research indicates some disturbing trends in the financial habits of America's youths. The average U.S. college student in 2009 graduated with $19, 000 of debt, up 58% from one decade ago. Simultaneously, only eight states require college students to take a personal finance course. It is clear that young Americans are taking on increased levels of debt without increasing their levels of financial knowledge and personal finance skills. Poor decision making in the future can lead to deeper recessions and economic imbalance, which are strong reasons to try and alleviate this problem.

Allen, K., and Kinchen, A., (2009). Financial Management Practices of College Students. *Global Journal of Business Research.*3, 105-116.

MARKET KNOWLEDGE

(CR) It is crucial for citizens to understand and know what is happening in the current economic market.The chairman of the Federal Reserve Ben Bernanke stated in 2006 that financial literacy is "vital to the future of our economy". Amid the billion dollar bailouts, huge corporate restructuring, unstable market conditions, various down grading of government bonds, and numerous debt crisis throughout the globe; it is evident that the well-being of a nation is highly correlated to the national and global economy. It has become evident that many students are economically illiterate and do not know the basics of the economy.With the degree of volatility that is present in the economy; it is crucial for not only adults but also students to have a strong understanding of how to handle their finances. It is imperative for higher education to gain recognition of their students' obliviousness to the financial market and take action in passing knowledge in this area.

Everyone is affected by the market; especially students, but few actually understand it, "In 1999, researchers at the Securities and Exchange Commission concluded that 66 percent of high school seniors could not pass a basic economic literacy test" (Black and O'Connor). Another survey conducted in 2008 by the Jump Start Coalition for Personal Financial Literacy involved 6,856 high school seniors from 40 different states and tested them on financial literacy. The results showed that the average student score was 48 percent and only 17 percent knew that investing in stocks in an 18 year period presents the most financial gain. Students need to understand that long-term savings through investment in the securities market is integral to the economy andtheir own personal lives.

People are scared of things that they do not know or are unfamiliar with. This is the reason why college students lack the fundamental knowledge of the economic market.Media headlines require the audience to have a strong understanding of macroeconomics, "At a minimum, courses in macroeconomics should enable students to have a greater understanding of the economic news as it appears in the Economist, Business Week, and the Wall Street Journal than those without an education in economics"(Becker 1). Higher education such as colleges, universities, and even high schools should take initiative in creating programs where students are exposed to the market. These programs should promote students to getting accustom to the financial world of investing in stocks and long term savings.

Students generally do not invest because they do not know how. The majority of a student's money is either sitting in a checking or savings account. They are unaware of the various financial tools where the money can be safe as well as grow. Investing in long-term savings through securities can help them prepare for their future goals and dreams.

The New York Stock Exchange has its own campaign in teaching the younger population about the economic market. They emphasize some very important concepts to help students learn more about this type of investing opportunity. Below are the objectives of its program:

- Provide students with an understanding of the world of securities investment and it's importance to their personal lives and private enterprise.
- Introduce students to the high-tech, exciting nature of the NYSE and the skilled market professionals on the Trading Floor and in the equities marketplace.
- Teach students about the high standards of conduct and integrity at the NYSE that ensures fair trading for all investors.
- Explore how supply and demand affects stock prices in the securities market-place.
- Encourage teachers, students, and their families to explore the opportunities for long-term savings growth as active and informed investors.

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Schools should introduce a program that focuses on similar goals to the ones listed above. By taking this action, this would cause students to become more familiar and comfortable with this area of finance. It is not only essential for their personal financial success but as well as for the macro economy.

Becker, William E. "Teaching Undergraduate Economics."*Journal of Economic Literature,* September 1997, 55(3), pp. 1347-73.

FINANCIAL ILITERACY

(JP) As made obvious by the financial crisis of 2008, American's irresponsibly accumulated too much debtover the past 10-15 years. As people lacked the judgment to realize they may not be able to repay their debt, foreclosures and bankruptcies skyrocketed in 2008 and currently are still very high. This lack of judgment was partially caused by financial illiteracy. Regarding financial literacy, high school seniors have been found to have a 57.3% financial literacy in 1997 which fell to 48.3% in 2008. It is troubling that their debt is increasing in correlation to their decline in financial knowledge. If this trend continues, America's future adults can potentially become more financially troubled than current adults. Financial literacy does correlate with good spending decisions.

A study by Chen and Volpe (1998) surveyed 924 students from 13 different colleges on financial literacy. The financial knowledge test received a median score of 55.56%. The same study also discovered better spending decisions were made by 89% of students with higher levels of literacy in a hypothetical situation and 68% of students with low literacy made better spending decisions. Also, a survey of people who attended personal finance courses in high school and college had higher savings rates than those who just attended college finance courses. The same research indicates people who owned stocks prior to age 16 had a 1.5% higher current savings rate than people who did not hold stocks, their household savings rate also increased by 3.5%.Personal finance classes can generally lead to better spending habits.Participants in college courses gained the most financial knowledge. Future Americans need to become more financially literate in order to make sound financial decisions. Otherwise the American economy can accumulate imbalances.

Allen, K., and Kinchen, A., (2009). Financial Management Practices of College Students. *Global Journal of Business Research.*3, 105-116.

Scott III, H. R., (2010). Credit Card Ownership among High School Seniors: 1997-2008. *Journal of Family and Economic Issues.* 31, 151-160. DOI: 10.1007/s10834-010-9182-7.

Bartholomae, S., Cravener, G., Fox, J. J., Peng, T.M., (2007). The Impact of Personal Finance Education Delivered in High School and College Courses. *Journal of Family and Economic Issues.*28, 265-284. DOI: 10.1007/s10834-007-9058-7.

ESTABLISHMENT OF STRONG CREDIT

(CR) What is frightening about the young population is that they are fully engaged in the access of credit and banking facilities but they do not have the knowledge of achieving financial success. Credit card companies and banks charge a variety of high fees that take advantage of a person's ignorance. Students need to know that credit is an essential but dangerous tool for their future financial success. They need to be aware that establishing strong credit will lead to a more financially stable future.

Students do not fully understand the correct practice in tracking their spending or understanding the financial instruments that credit and banking industries use. A 2007 Charles Schwab study revealed that while 45 percent of teens know how to use credit cards, only 26 percent understand how credit card companies assess interest rates and fees. Meanwhile, JumpStart discovered that more than half of all high-school seniors do not realize that paying off a credit card balance more slowly will result in higher finance charges. Only one in three teens knows how to read a bank statement, balance a checkbook, or pay a bill. Basically, young adults are smart enough to know how to finance, but not smart enough to do it right. That is why it is essential for there to be education in this matter.

There are two ways college students misuse credit; the non-use and the over-use. There are some students that avoid using credit all together. They feel that having a credit card will lead to overspending and debt. They are unfamiliar with informed and intelligent spending techniques so they feel they will get into debt by having a means of credit. This avoidance may seem logical to some but this action will hinder a student in the future. The global economy runs on credit. Banks and corporations perform extremely leveraged activities every day. This works the same for the individual. In today's economy, a person needs credit to buy necessary things such as a home and a car. With the recent economic crisis of 2008, banks are becoming very strict in who they give credit to. The banks are apprehensive in loaning out their money; so they want to make sure a person is able to pay back certain credit loans. It is imperative for a student to start establishing a strong credit now. One way in establishing a strong credit rating is by applying for a student credit card. Most major banks offer credit programs for college students. Students should take an opportunity like this to establish their own credit history. They should only use their credit card for certain situations such as gas and groceries; then pay the amount in full every month. This simple practice will avoid the challenge of trying to receive a loan in the future.

The second misuse is the overuse of credit. Students become financially irresponsible and see credit as free money. Students apply for multiple credit cards and pay back their debt in minimum. They do not understand the accumulated interests and fees that come with not paying in full. According to a study conducted by Nellie Mae in 2005,76 percent of the students had creditcards, most of whom (56%) got their first one at theage of 18. Seventy-five percent of those with creditcards made payments of less than the outstandingbalance on all their credit cards (although 44 percent paid more than the minimum payment on all theircards); another four percent relied on their parentstopay their credit card bills. Average credit card debtalso varied by grade level, with freshmen carrying anaverage balance of $1,585 and final year students$2,864.

A student's credit related problems not only affects the present but also the future. And if future financial expectations are not reached, an accumulation of student loans, credit and other debt obligations can really have a financial burden on an individual. Also, a poor credit history can affect future employment opportunities because employees have a tendency in checking applicant's credit history during the hiring process. Informing our nation's youth about the correct uses of personal credit will lead to a more stable and developing economy.

Nellie Mae.(2002, April). Undergraduate students and credit cards: An analysis of usage rates and trends. RetrievedMay 20, 2004, fromhttp://www.nelliemae.com/library/research.html

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<u>DEBT PROBLEMS</u>

(JP) Over the past 10 years,college debt among U.S. college students has increased by 58%. As of 2009, the average U.S. college student graduates $19,000 in debt. And only eight states require colleges to teach personal finance courses. Also, the JumpStart Coalition for Personal Finance Literacy has found from 1997-2008, credit card ownership among high school seniors has risen by 40%.The passing score on the test also declined from 47.2% in 1997 to 31% in 2008.Credit card ownership among high school students has increased three times since 2000.People between 16 and 18 years of age also exhibit the fastest growing use of credit card use with cards in there parents name or their own name. Credit card solicitations among Americans in general have increased by 246% since 1990 and this growth is now reaching high school students. Teenagers also enjoy using credit cards more than cash or debit cards. In 2007, 25% of teenagers' purchases were through credit cards and amounted to over $176 billion. Students usually do not own a lot of money. They love the idea of buying something in the present and paying off the item in the future through only having to make minimum payments in the near future. Teenagers do not understand that debt can take a long time to pay off with minimum payments as well as higher interest payments for missed debt payments. An increased amount of work may be required to pay off debts, which could put future educational goals in jeopardy for the student. This group of Americans needs increased financial education to handle credit card usage responsibly.

It has also been found that teenagers' poor decision making skills are also tied to psychology. Teenagers make decisions using the "amygdale section of their brains, which is responsible for instinctual emotional reactions" (Scot III, 2010). Adults, however, use the frontal cortex of their brain which is less emotional and can lead to better financial decision making in adults. Psychologists argue increased experience and training on any issue can help teenagers overcome natural illogical decision making. For debt responsibility, this training and experience can arise from a personal finance class.

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Scott III, H. R., (2010). Credit Card Ownership among High School Seniors: 1997-2008. *Journal of Family and Economic Issues.* 31, 151-160. DOI: 10.1007/s10834-010-9182-7.

FINANCIAL IRRESPONSIBILITY

(JP) Debt is not just accumulated on high school students and college student loans. Among college students, 24% have been found to be using credit cards to pay for tuition. Students need to learn that certain assets should not be purchased with credit cards at an early age. After studying a population of Louisiana college students who claim to teach themselves financial skills, it has been discovered that "33% do not save monthly, 45% do not check credit score, 80% do not have a budget, and 75% have one or more credit cards" (Allen, 2009). Many students feel they have good personal finance skills and good practices but research clearly indicates otherwise.

The same study indicates college students do not think critically about bank selection for a savings account. Free checking is the number one choice among 62.75% of college students, number of branches and automated teller machines 49.33%, and use of same bank as parents 48.66%. Very few students considered credit union membership, which is not smart. It is not responsible to carelessly choose a bank. Also, for a sound future, Americans need to learn to save money and plan for retirement. Research shows America's savings rate is negative.

Allen, K., and Kinchen, A., (2009). Financial Management Practices of College Students. *Global Journal of Business Research.* 3, 105-116.
Dillon, N., (2011). Penny Wise: Financial Literacy is a critical skill for students, but many disagree on who should teach it and how it should be taught. *American School Board Journal.*198, 22-25.
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UNEMPLOYMENT AMONG AMERICAN YOUTH

(JP) The current recession has hit America's youth very hard in terms of unemployment. According to the U.S. Bureau of Labor Statistics, in July 2011 only 48.8 % of American's aged 16-24 held jobs. For July, this is the lowest rate ever recorded since the Bureau began tracking this statistic in 1948. Carl E. Van Horn, a labor economist at Rutgers University, explains "There are numbers of unpleasant consequences of this. Increased poverty, increased reliance on social safety net programs, potential increases in illegal or off the books work… atrophy of skills, inability to get a job when the labor market gets better, the list goes on and on" (Shapiro, 2011). Clearly, the money making potential of America's youth is drastically declining. This is why now more than ever it is vital to America's economic and social future that today's youths begin saving for the future and reverse their bad credit and their financially irresponsible habits.Juan Somavia, the International Labor Organization director states, "Young people are the drivers of economic development. Foregoing this potential is an economic waste and can undermine social stability… Focus on strategies that combine educating and training policies for youth" (International Labor Organization, 2010). Clearly, if today's youth cannot become financially responsible adults, unemployment for them in the future will become extremely painful.

Also, according to (Greenstone, 2011), it is estimated that current college students can expect to loose $70,000 over the next decade in lost earnings. Combining all American college graduates from 2008, 2009, and 2010, over $330 billion of earnings will be lost over the next 10 years. The losses will be larger if graduates cannot find jobs after graduation. Also, the reduced wages are estimated to last until roughly 15 years of work.

Shapiro, L. (2011). Youth Unemployment Crisis Has Longterm Implications For Teens, The Economy.*The Huffington Post.*
Greenstone, M., and Looney, A. (2011). The Long-term Effects of the Great Recession for America's youth.*Brookings.*
International Labor Organization. (2010). World economic crisis has spurred a record increase in youth unemployment says ILO.

PROBLEMS WITH PARENTAL GUIDANCE

(JP) It is sensible to expect parents to teach their children how to responsibly manage their finances. Studies indicate most young Americans do learn about credit cards and other financial issues from parents. But given the statistics on financial literacy among youth's, parents have not been doing an adequate job. In a survey conducted at a mid-sized university in America, the lowest levels of credit card debt have been found with students whose parents conducted hands-on activities for personal finance. Parents who merely had conversations with their children on the issue led to increased credit card debt and financial irresponsibility in the youth. Financial illiteracy in today's youth may result in future generations also being financially illiterate due to parents who are not sure how to teach the issues to their children.

MacLean, M. G., and Norvilitis, J.M., (2010). The role of parents in college students' financial behaviors and attitudes. *Journal of Economic Psychology.* 31, 55-63. DOI: 10.1016/j.joep.2009.10.003.

SERVICE PROJECT:

(JP/CR) We have created curriculum for a one-credit Freshman Interest Group Seminar, called "Exploring Methods to Growing and Preserving Wealth", to be taught as a personal finance course at Rutgers University, in New Brunswick, New Jersey. It is clear freshman have the most moldable mind among college students. Jason wrote a letter to the Rutgers Entrepreneurial Society president, Samuel Chan, explaining the issue and describing our service project while informing him of our interest in Rutgers Entrepreneurial Society members teaching the class. Also, we wrote a syllabus for the course that Rutgers Entrepreneurial Society members can teach or model off of.

LETTER TO THE RUTGERS ENTREPRENEURIAL SOCIETY PRESIDENT:

Rutgers, The State University of New Jersey

(JP)
New Brunswick, NJ 08901

October 12, 2011

Samuel Chan
President, Rutgers Entrepreneurial Society
Rutgers, The State University of New Jersey
New Brunswick, NJ 08901
samkaic@gmail.com

Re: Educating Rutgers students on personal finance and current economic issues.

Dear Mr. Chan,

The importance of an informed public on economic issues and their own financial well-being cannot be understated. Poor investment decisions are usually made among people unaware of personal finance skills and certain trends in the economy. Poor investment decisions can build imbalances in the economy that result in deep recessions (Dillon, 2011). I believe creating an economically informed citizenry begins during youth. My project partner, Charles Rigoglioso, and I, have an idea on how to educate youth at Rutgers University on these issues. As you are likely aware, education is a great tool to raise awareness on financial problems and to change people's future behavior and perception of the problem. The project is a requirement for our Ethics in Science class at Rutgers University. By choosing to aid us in educating youth on these issues, you are helping to advance our nation's economic well-being.

Economic and financial illiteracy among youth

In 2009, the average U.S. college student graduates with $19,000 in debt. This is a 58% rise from just 10 years ago. Only eight states require college students to take a personal finance course (Allen, 2009). Also, high school students who own credit cards in their own name as well as their parent's name have risen by 40% from 1997-2008. Simultaneously, the same study reports financial literacy in high school students fell from 57.3% in 1997 to 48.3% in 2008 (Scott III, 2010). It is insensible that the debt of youths rises rapidly but their financial knowledge does not grow. They take on more risk without accumulating economic and financial knowledge. I passionately feel this information vacuum must be filled.

Research indicates student debt is not just in the form of student loans. College students are also using absurd amounts of credit to buy other items when they do not yet have a full time job. According to a survey "conducted by the U.S. Public Interest Research Group, 55% percent of college students reported using credit cards to pay for day-to-day expenses and textbooks" (Jonkman, 2010). This information is important because 39.7% of the U.S. population in 2006 is college students 18-24 years of age (Allen, 2009). This generation of college students will have long term effects on the U.S. economy. If poor financial habits among college students do not change, the long term effects for the U. S.will be negative. One may argue, however, these skills should be taught from parents or by the youths themselves.

Among students who learn from parents, "28% do not save money monthly, 63% own one or more credit cards, 72% never check credit score, and 75% have no budget… Among self-learned students, 33% do not save monthly, 45% do not check credit score, 80% have no budget, and 75% own credit cards" (Allen, 2009). There is clearly growing financial irresponsibility abundant among college students and this must change. Traditional sources of learning have become dysfunctional and educational institutions must pick up the slack. There is evidence, however, that personal finance used to be taught in schools. It is noted by (Dillon, 2011) that when Ted Beck, the chief executive officer of the National Endowment for Financial Education gives a speech, he shows the audience a school textbook from 1919 that explains how to make a budget and balance a checkbook. It clearly is not uncommon to teach these skills in the classroom.

Plan of Action

Charles and I are strongly interested in writing curriculum for a personal finance based Freshman Interest Group Seminar Class (FIGS) at Rutgers University that members of the Rutgers Entrepreneurial Society can teach if interested. FIGS seminars are taught by upperclassmen. We would like to create the class and would appreciate if you can raise the topic with the Rutgers Entrepreneurial Society. The course curriculum would be set up by Charles and I. Research indicates the seminar format would encourage learning more than a regular semester course because students usually only take full semester courses when required (Scott III, 2010). After researching for good ideas on potential curriculum, we plan to teach how to balance a checkbook, the importance of avoiding excessive debt, how to construct and balance a budget, basic financial vocabulary, opportunity costs, investing, and general market knowledge, etc. These are the skills that research indicates young people severely lack (MacDonald, 2010). We also plan on creating pre-tests and post-tests to help determine the effectiveness of the course on students' financial knowledge and skills.

Have similar programs succeeded in the past?

Several studies have been conducted to determine the outcome of personal finance courses in the past. A web survey by Bartholomae (2007), indicates college students who participate in college level personal finance classes develop higher levels of investment knowledge. The survey asked 46 questions to 12,000 random alumni of a mid-western university. Overall, 12.4% (1,492) people submitted a survey. Several questions were asked to determine if they had taken financial education courses in high school or college. Out of the population, 19.9% took college personal finance. Alumni who took financial courses both in high school and college reported the highest savings rate of 16.7%. This research also indicates higher levels of investment knowledge can result in higher savings rates (Bartholomae, 2007). Over the past two decades, savings rates in the United States have been steadily declining. Clearly, freshman college students, and the economy, would benefit from a college freshman personal finance seminar.

Another successful study was performed by MacDonald (2010), to determine the effects of personal finance courses on high school students. Pretest and posttest scores of high school students were analyzed before and after taking a high school personal finance class. On the pretest, the average score was 49.2% correct. After taking a personal finance course, "students achieved a mean score of 68.9% correct, an average gain of 19.7 percentage points" (MacDonald, 2010). Interestingly, the highest gains were with students who plan to work or attend college after graduation. Clearly, the highest gain in knowledge can potentially lie with freshman college students, considering they very recently completed high school.

Conclusions

It is quite clear the United States needs a financially literate community for many years to come. Without the powerful tool of education, our means of reaching that goal is threatened. I strongly feel economic issues, especially personal finance; need a more frequent place in America's classrooms. Without the youth being knowledgeable in personal finance, it would be difficult to expect future generations to make wise investment decisions, thus harming the U.S. economy. Although research indicates children taught by parents on how to handle money still retain high credit card debt and other poor financial skills, when parents conduct hands on activities, such as showing how to balance a checkbook opposed to having conversations, the outcome is better (MacLean, 2010). By ensuring a financially educated youth, future generations can be taught "hands-on" by their parents. If today's youth become financially educated, therefore, the burden of teaching these skills over the next 10-20 years can be taken off educational institutions. It would be my pleasure to speak with you, if you so choose. My phone number is (908) 763-4527. Charles Rigoglioso's phone number is (862) 881-1952. Thank you for your time and we look forward to hearing from you.

Sincerely,

Jason Pollack

Jason Pollack

<u>COURSE CIRRICULUM FOR "EXPLORING METHODS OF GROWING AND PRESERVING WEALTH"</u> (Jason and Charles)

Weeks 1&2: Overview of the class on the first day, emphasis on why financial knowledge and market trend awareness is important. Financial pre-test administered

Weeks 3&4: Discussion on how to recognize trends in various markets and how to profit off of trends. **<u>Group activity:</u>** Analyze stock market charts of the past 10 years and decide which times were good to buy and when was good to sell stocks. Charts of various commodity values will also be analyzed simultaneously with important news events correlating with major changes in the charts.

Weeks 5&6: Discussion on the effects of INDIVIDUAL credit decisions on the individual's life and the economy as a whole.**<u>Writing activity:</u>** In class essay on how to improve your own financial habits and how new habits may improve the national economy if adapted by more Americans.

Weeks 7&8: Understand how credit card companies assess interest rates and fees. Understanding of consequences for paying off a credit card balance more slowly or not at all will be analyzed.

Weeks 9&10: Discussion on the importance of tracking ones transactions. **<u>In class activity:</u>** Learn methods of checking bank statements, balancing checkbooks, and paying bills.

Weeks 11&12: Discussion on "what is money"? And analysis of trends to determine the best form of money to hold, (Dollars, gold, silver, foreign currencies, what makes these various assets more valuable in certain situations)

Weeks 13&14: Class wrap up, financial test administered (post-test), Essay on last day about what you learned.

By the end of the course, students will have gained a higher financial moral standard. Students will have gained the knowledge to make smarter financial decisions throughout their life than compared to students who do not take the course. Students will be able to make decisions that impact their lives and the American economy in a positive way.

WHO WILL CONDUCT THE COURSE?

Members of the Rutgers Entrepreneurial Society will teach the class. The teachers must be upperclassman and have a strong interest in educating youth on financial issues. If interested, members from other economic/business clubs can also join in the teaching of the course or even expand the number of sections for the course if they please.

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EDITORIALS

(JP, sent to the New York Times, 11/16/2011)

Financial illiteracy in America's youth is a rising problem

Many believe the future of the United States economy is mostly dependent on the federal government's economic policies. It is true that government policy greatly affects the economy, but the U.S. economy's health is also strongly related to the financial decisions of American's. Arguably, if American's did not irresponsibly accumulate debt and accept home loans they couldn't afford throughout the last decade, it is less likely the housing bubble would have inflated, and the current economic crisis would not be as deep. Financial literacy in America is therefore extremely important, especially among youth. As of 2009, 39.7% of Americans are college students and many lack financial literacy. Many of these students are unaware of market trends and have a small sense of financial responsibility. Research shows large amounts of college students cannot pass basic financial literacy assessments. With America's future generations taking on increased financial burden with debt and simultaneously decreasing financial literacy, the economic future is unclear and potentially bleak. It is therefore important to emphasize personal finance courses at the high school and college level. Research indicates financial patterns in students do change after taking personal finance courses, especially in college. If American colleges and universities begin to make personal finance education a priority among new students, America's economy has a better chance for strengthening and attaining stability as American's make smarter and more informed financial decisions.

(CR, sent to the Daily Targum, 11/11/2011)

To Whom It May Concern:

My name is Charles Rigoglioso and I am currently working on a service project that is geared towards the Rutgers students. I am a senior economics major with a strong interest with the financial market. The service project's focus is concentrated to the lack of knowledge that college students have in the financial market and personal finance. In this tough economic time, it is as important as ever for students to gain wisdom with economic issues.

Over the past 10 years, college debt among U.S. college students has increased by 58%. As of 2009, the average U.S. college student graduates $19,000 in debt. And only eight states require colleges to teach personal finance courses. As a response to this crisis my partner Jason Pollack and I are in a process to initiate a First Year Interest Group Seminar class that's curriculum will consist of teaching personal finance knowledge for college students as well as teaching about the current economic market.

As well as initiating a FIGS course, we also feel that it is important for Rutgers students to gain exposure to the current market. The Daily Targum is the most popular paper on campus and thousands of students read it everyday. Jason and I feel that there should be a designated financial market section that covers business news and displays the notable movements within the market. This single page can have a great impact on the current students' ignorance with finance. Students can become more aware of is happening in the business news as well as gain potential interest in this sector.

I will love the opportunity to meet with you and speak more about this project. I can present more facts and information on this current problem and explain more in depth why there needs to be action. There must be action now because financially ignorant students become financially irresponsible adults.