

# Financial Literacy Month aimed at raising awareness to manage funds (Cory Wilson)



By [Special to The Mississippi Press](#)

on April 16, 2013 at 10:07 AM, updated April 16, 2013 at 11:23 AM



Cory T. Wilson

Gov. Phil Bryant has issued a proclamation designating April as Financial Literacy Month.

Chances are, I realize, the designation is probably not on your smart phone calendar, and it may not be the theme of many spring parties. But it merits attention and not just in April.

As millions of Americans endured the drudgery of filing their tax returns April 15, a few thoughts on financial literacy are in order. Of course, it takes more than a Master's degree in finance to understand our byzantine tax code, so leave that to the accountants and the tax software folks for the moment. Financial Literacy Month is aimed at raising awareness of a problem more basic and epidemic.

We are not equipping students (and a lot of adults) with an understanding of money management, savings and investment, and credit and debt.

Our students, who are shortly going to be tomorrow's adults, often lack basic understanding of how to manage their finances when they leave school. According to Governor Bryant's proclamation, this year only 56 percent of teens plan to save part of their income, down from 89 percent in 2011. Yet, 54 percent of college graduates in 2011 left school with student loans, with an average balance of \$23,500.

Before you are tempted to bemoan this new generation as less responsible than we were "back when," consider that kids are picking up financial illiteracy from somewhere. One glance at Washington, and it is apparent we are a nation grappling with how to live within our means. The Governor's proclamation states that 33 percent of adults did not pay their bills on time in 2012, up from 28 percent in 2011. State Treasurer Lynn Fitch noted in an April 11 Mississippi Business Journal article that Mississippi leads the nation in payday loan shops and credit card payment delinquencies.

This past session, Fitch pushed to make financial literacy, including household budgeting, balancing checkbooks and understanding credit card interest, a required high school course. Financial literacy classes are currently only offered as an elective.

According to Mississippi Department of Education data, 5,869 out of 97,613 students in the 10th, 11th, and 12th grades took the personal finance elective in the 2011-12 school year. Fitch argues that is not enough: she told the Business Journal, "That's just 6 percent and that's a failing grade in our school system. Teaching the ins and outs of managing money is a very powerful gift to give a young person."

Fitch's proposal died in the Senate, but she has promised to make another push for a financial literacy requirement next year. Governor Bryant and Treasurer Fitch are both right to raise awareness of personal financial literacy and management. It hasn't always been top of mind.

I serve on the board of the Mississippi Council of Economic Education ([www.mscee.org](http://www.mscee.org)), a nonprofit mentioned in Governor Bryant's proclamation. MCEE's mission is to raise financial literacy by training Mississippi teachers to become master teachers of economics and entrepreneurship, and by introducing K-12 students to key financial and economics concepts. From MCEE's experience, the good news is that kids will learn this stuff once they see the relevance of it.

One of MCEE's annual programs, the Mississippi Economics Challenge, culminated last week at Millsaps College. Nineteen high school teams who won regional competitions around the state competed in a "knowledge bowl" centered on economics. The questions are tough, and I was an econ major in college.

An Ocean Springs High team edged out a Madison Central team to claim top honors in one division, and a Northwest Rankin team edged a Clinton High team in another. MCEE awarded scholarships to all four teams. MCEE also gave a scholarship to the highest-scoring economics student in the state, Kevin Kovacevich, of Ocean Springs High.

It's a good bet these kids will know how to manage their financial affairs. They'll have a better future as a result.

Financial literacy is not just for high school students though. Our third-grader just had a birthday, and he got a check from his great-grandmother. We used that as a chance to talk about the parts of a check, the difference between checks and cash, and how checks are used in the economy.

I'm not sure if any birthday money will make it to savings (instead of being spent on Legos), but here's hoping that our lesson about checking accounts might sink in over time. To observe Financial Literacy Month, look for ways to counsel your kids and grandkids, no matter the age. We will all bear the dividends.

*Cory T. Wilson is a Madison attorney with Heidelberg Steinberger Colmer & Burrow, P.A. Follow Cory on Twitter, @CoryWilsonMS, or email [cory@corywilson.ms](mailto:cory@corywilson.ms).*