



***The Importance of Financial  
Education***

***In the life of today's consumer***

***Presenter***

***William "Bill" Cheeks***



***President: ABBA Associates Inc.***

# *What is Financial Literacy?*



- Financial literacy is the ability to use knowledge and skills to manage one's financial resources effectively for lifetime financial security.

# *How Does Financial Education Differ?*

General education determines our occupation and income, which in turn, influences our:

- Place of residence
- social contacts, consumer choices and activities.

Financial education shapes our lives in other, extended ways by enhancing access to:

- Asset accumulation
- Investment income
- Asset protection.

# *What should a financially literate high school graduate know?*

- Find, evaluate and apply financial information.
- Set financial goals and plan to achieve them.
- Develop earning potential and the ability to save.
- Use financial services effectively.
- Meet financial obligations.
- Build and protect wealth.





## President Bush Supports Financial Education

# Presidential Initiative





**President's Council on Financial Literacy**



## *President's Financial Advisory Council Members*

- **Mr. Charles Schwab, Chairman and CEO, Charles Schwab Corp., Council Chair**
- **Mr. John Bryant, CEO and Founder, Operation HOPE, Inc., Council Vice Chair**
- **Mr. Ted Beck, President, National Endowment for Financial Education**
- **Mr. Theodore Daniels, President and CEO, Society for Fin. Education & Prof. Dev.**
- **Vice Admiral (retired) Cutler Dawson, President and CEO, Navy Federal Credit Union**
- **Dr. Robert Duvall, President and CEO, National Council on Economic Education**
- **Dr. Tahira Hira, Professor and Executive Assistant to the President, Iowa State Univ.**
- **Mr. Jack Kosakowski, President, Junior Achievement USA**
- **Ms. Sharon Lechter, CEO and Founder, Lechter Development Group**
- **Dr. Robert Lee, Chairman and CEO, FreshMinistries, Inc.**
- **Ms. Laura Levine, Executive Director, Jump\$tart Coalition for Personal Fin. Literacy**
- **Mr. David Mancl, Director, Fin. Literacy Office, Wisconsin Dept. of Fin. Institutions**
- **Mr. Don McGrath, Chairman of the Board, Bank of the West**
- **Ms. Janet Parker, Chairman of the Board, Society for Human Resource Management**
- **Mr. Ignacio Salazar, President and CEO, SER National**
- **Ms. Mary Schapiro, CEO, Financial Industry Regulatory Authority**



# *President's Advisory Council on Financial Literacy - Brief History*



- **Created by Executive Order 13455, January 22, 2008**
- **President's policy objective: help the American people understand and address financial matters**
- **President appointed members with financial education or financial services backgrounds**
- **At initial February meeting, Council advised Treasury to move forward with five key initiatives**



# ***Current Council Initiatives***

- 1. Unbanked Initiative (Community Financial Access Pilot)**
- 2. Middle School Curriculum**
- 3. High School Student Recognition**
- 4. Postsecondary and Workplace Recognition**
- 5. Financial Education Research**



# JUMP \$TART!

FINANCIAL SMARTS FOR STUDENTS





## Mission

**Jump\$tart is a national coalition of organizations dedicated to improving the financial literacy of kindergarten through college-age youth by providing advocacy, research, standards and educational resources. Jump\$tart strives to prepare youth for life-long successful financial decision-making.**

## Vision

**Personal finance is included in the education of all students. Jump\$tart provides the collaboration needed to ensure this education.**

## Unique Proposition

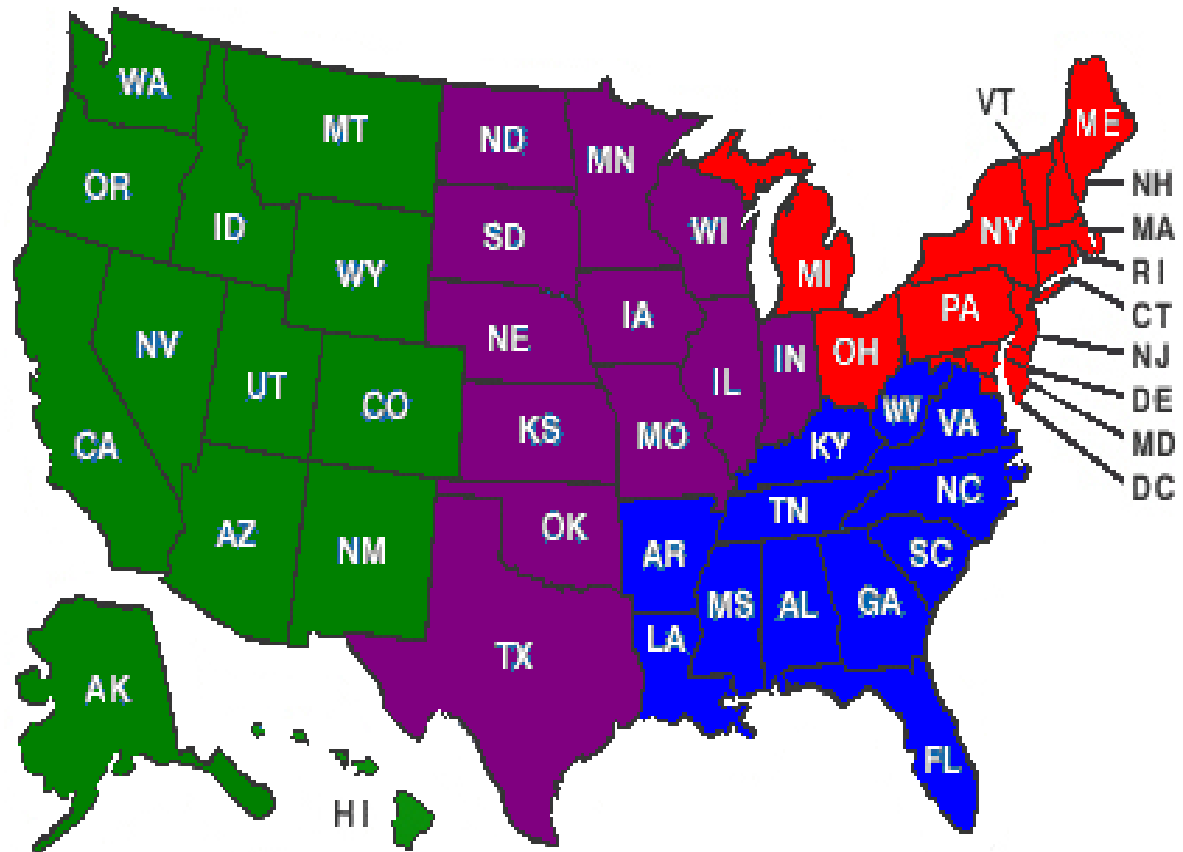
**Jump\$tart is a coalition of organizations, which share a commitment to the financial education of youth. Working collaboratively, more resources and expertise are available to accomplish this task.**



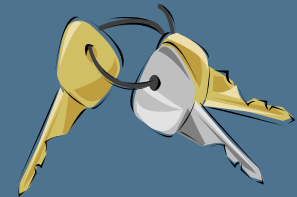
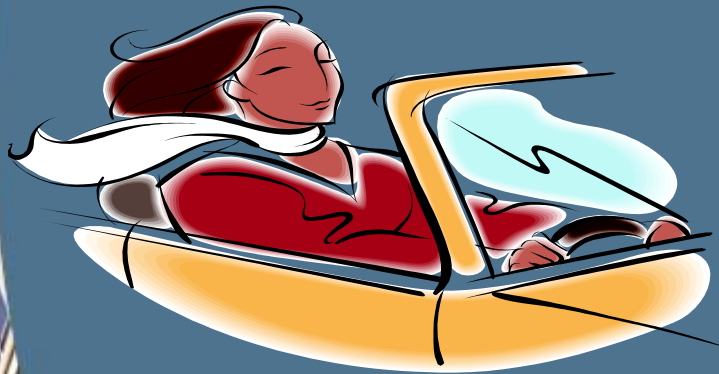
# ***Jump\$tart National Initiatives***

- ▶ **Standards and Benchmarks**
- ▶ **Monitoring Legislation**
- ▶ **Online Clearinghouse**
- ▶ **Public Awareness Campaign**
- ▶ **Financial Literacy Month (April)**
- ▶ **State Coalitions**
- ▶ **National Survey**


# *Jump\$tart State Coalitions*




# *Remember When We Reached Driving Age?*



**Did someone just hand us the  
keys without any instruction  
or knowing at least some of  
the rules of the road?**

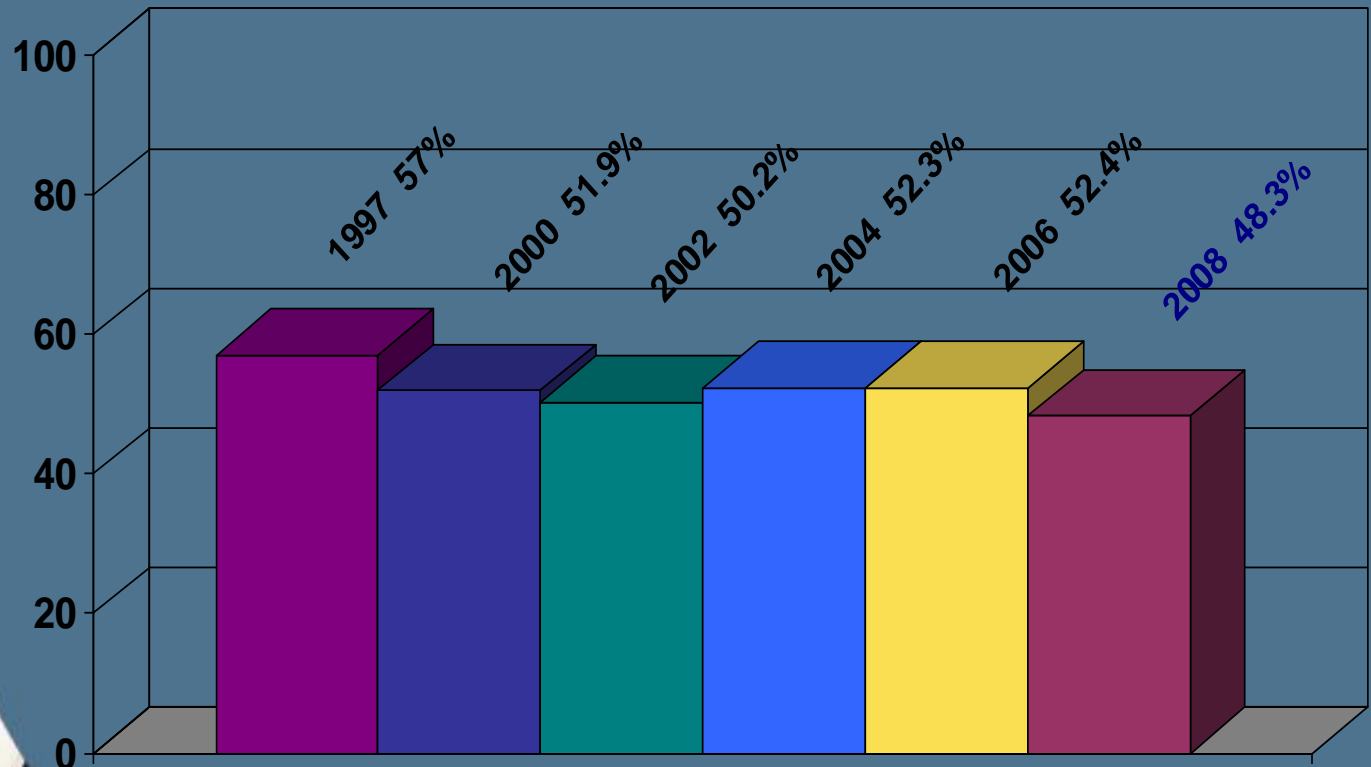


*LEARNING  
ABOUT MONEY IS AS  
IMPORTANT AS  
EARNING IT!*

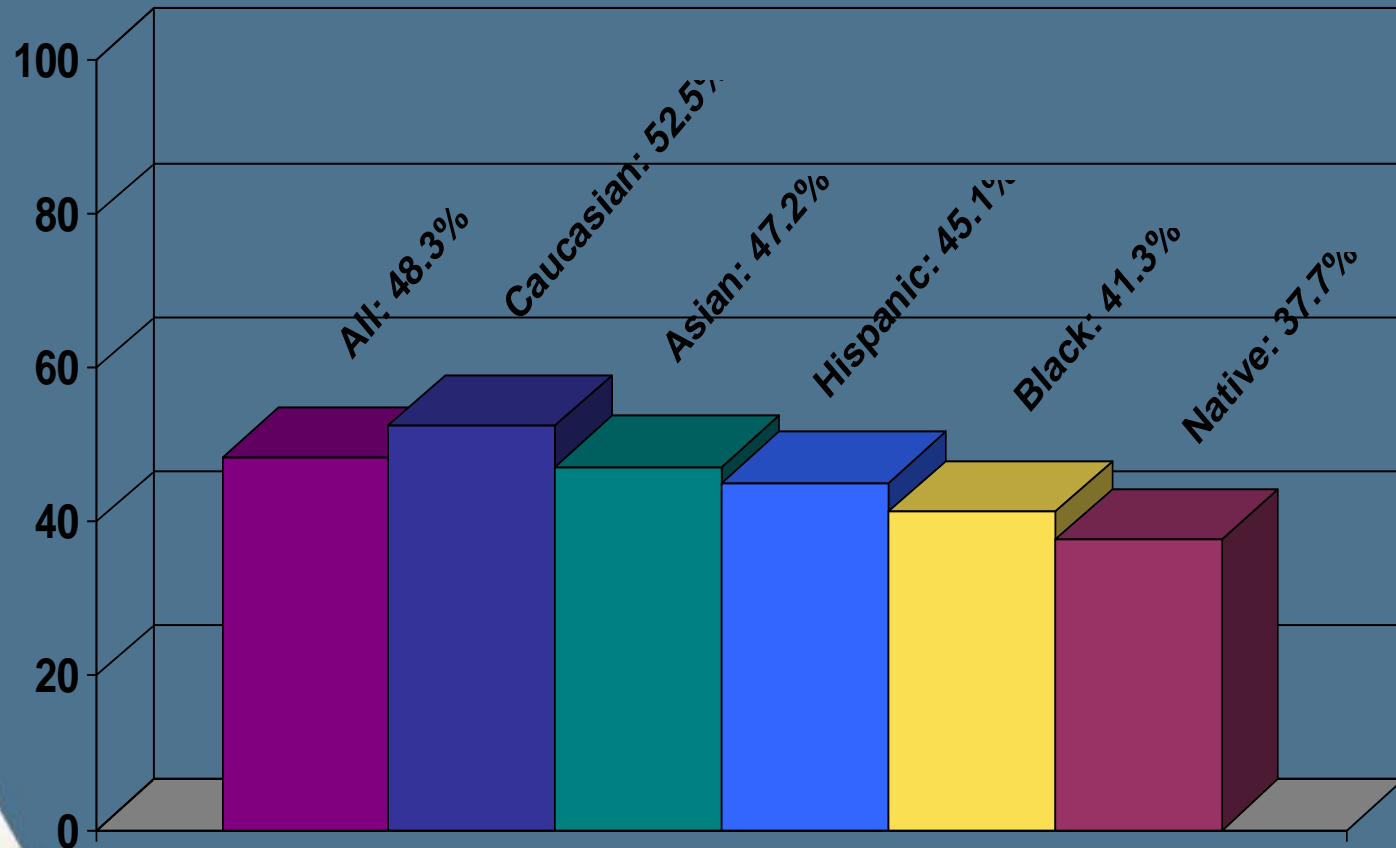


*Jump\$tart*  
*National Survey*  
*Of*  
*High School Students*

# 2008 Personal Financial Literacy Survey High School Performance Trends

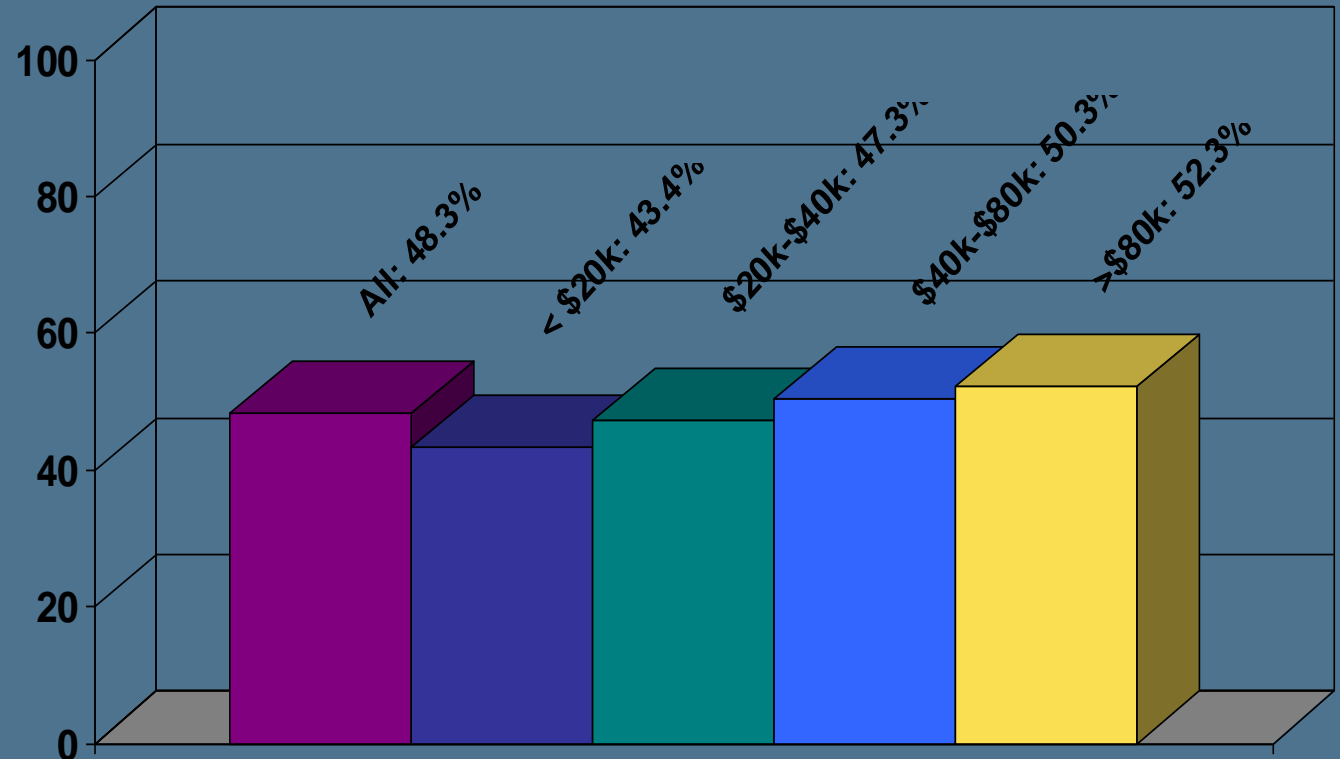


## *2008 Personal Financial Literacy Survey HS Performance by Ethnic Group*

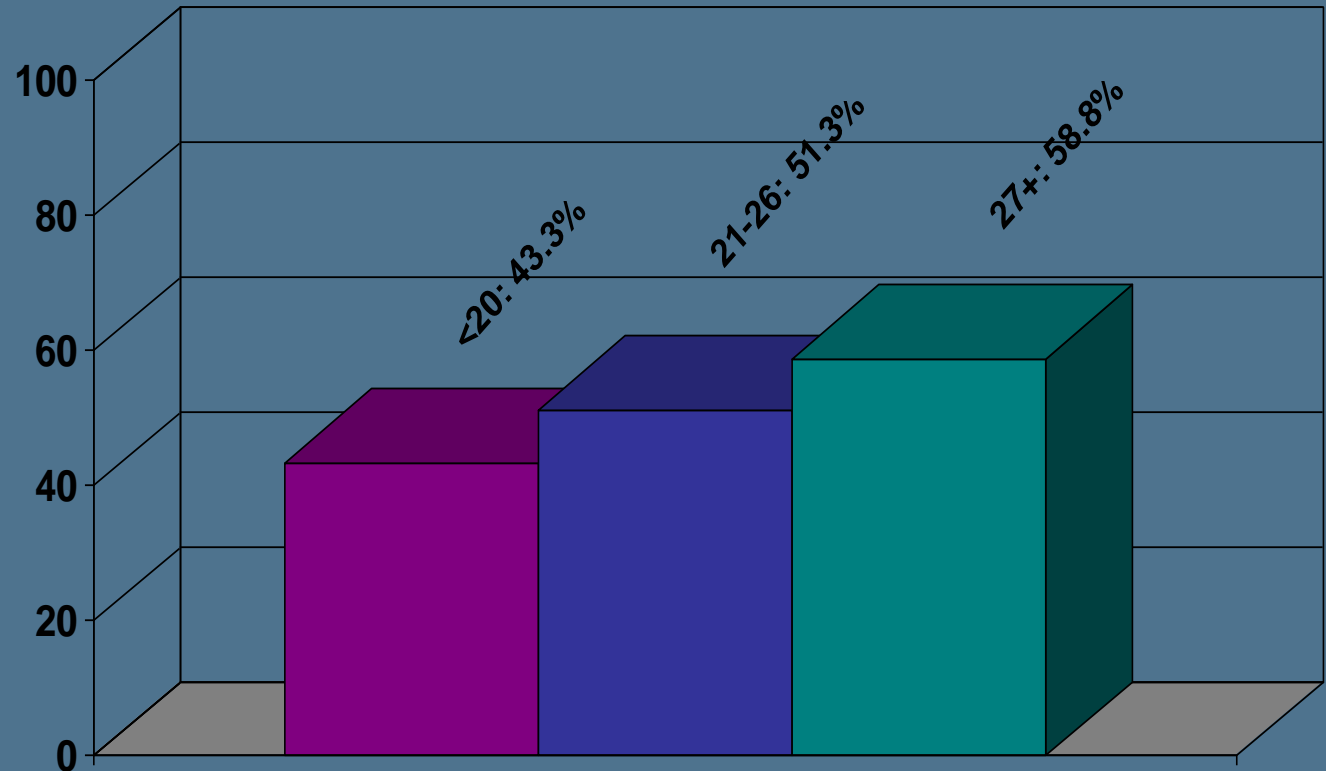


# 2008 Personal Financial Literacy Survey

## *HS Performance by Family Income*



## *2008 Personal Financial Literacy Survey HS Performance by ACT Score*



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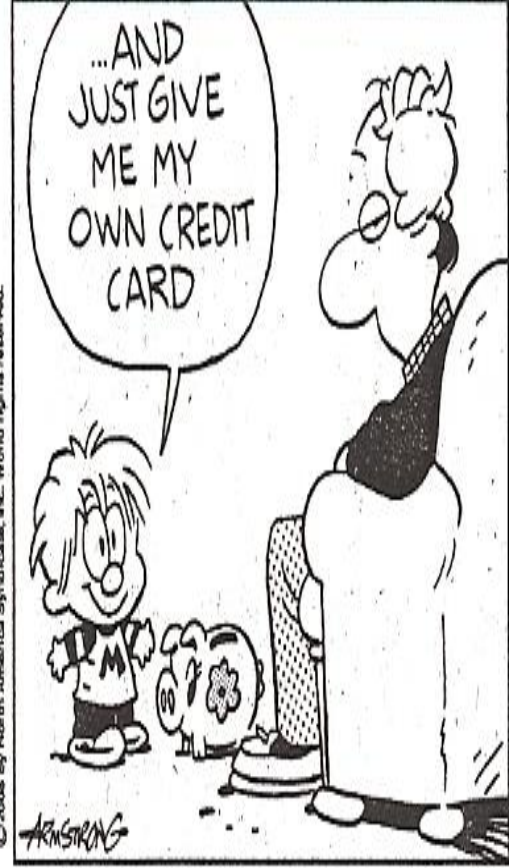
I BUTTER UP  
GRANDMA.

BANK →



...I HAVE \$10-8

**Marvin**






# ***New World for Students and Adults***

401K                      403B                      457  
ROTH IRA    AND TRADITIONAL IRA

MUTUAL FUNDS

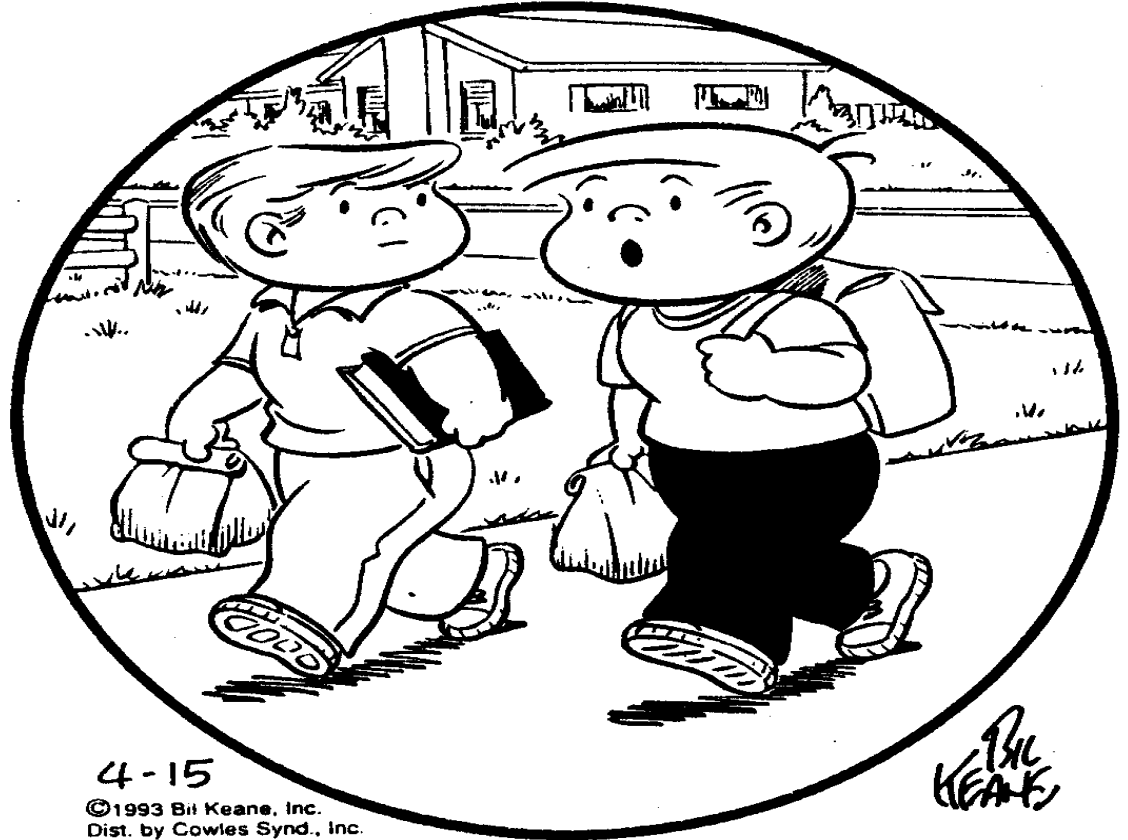
BOND FUNDS

INDEX FUNDS



***The Adult Population does not  
have the financial knowledge  
about financial literacy programs  
for them and their children  
There are programs in churches  
and sessions for state legislators  
in minority communities***

## FAMILY CIRCUS



4-15

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*Bill  
KEANE*

**“Instead of spankings, my Mom  
imposes economic  
sanctions.”**



*Bill Cheeks*

*Jump\$tart Coalition*

*Regional Director*

*Southeastern States*

*Powder Springs, GA*

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