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Prudent Portfolio: Schools Desperately Need to Include Financial Literacy in Curriculum

By Kevin Peters



We are not a nation of Alex P. Keatons.

As the Connecticut Post recently reported, a financial literacy study by the Program for International Student Assessment (PISA) shows American teenagers are flatly mediocre in their knowledge of money and finance.

According to the standardized test measuring how well teens around the world understand and can use financial concepts, our nation scored an average of 495. Compared to Shanghai, China, where students topped the list with 603, and Columbia, with the lowest average score of 378, we may not be the worst, but we sure have a lot to teach our kids.

Remember Alex P. Keaton on “Family Ties,” that hilarious television sitcom that aired from 1982 to 1989? Alex was passionately interested in business and finance. His favorite TV show was Wall Street Week. He was particularly fond of supply-side economics. He invested his parents’ telephone company stocks in a video company in the Philippines. More than anything, he wanted to attend Princeton. At college, he majored in economics and afterwards accepted a job on Wall Street. By 2000, Alex P. Keaton had become a senator.

The PISA study tells us Alex had something few high school students in our society do: a true knowledge of, love of and understanding of finance. Granted, his level of understanding was improbable for a young man his age. But certainly, we can learn from him.

Our schools teach college-level math, science and English. By the end of senior year many have debated global political issues or participated in mock trials. But where are the whiz kids with a working knowledge

of stocks, bonds and derivatives? Perhaps a few meet in an afterschool club. But the topics are typically not part of the curriculum.

Advanced math students may take additional courses in calculus, but a course that would focus on the monetary requirements of life in a society that is based on financial transactions is rarely mandatory and in most schools, not even offered.

The PISA study went on to say that while 90 percent of 15-year-olds in Slovenia and New Zealand have bank accounts, only 51 percent of students in the U.S. do. How can teens learn the value of money, if not by seeing the dwindling amounts in their bank account? How can they decide if they should use cash or credit, if not because of their growing debt? How can they begin to understand the ups and downs of the economy and growing inflation if their own money is not at stake?

What are other nations teaching their students that we are not? Other countries that scored above the international average in financial knowledge include Australia, Belgium, the Czech Republic, Estonia, New Zealand and Poland.

Similar studies in trends in international mathematics and science consistently show that American children lag behind in math and science in the global arena. More intensive math and science schooling is advocated.

Who is advocating more fiscal education?

I suspect there may be something wrong in our approach if we, here in the U.S. with our bountiful resources, talented teachers and dedicated education professionals, are being so clearly outperformed in so many areas.

PISA's test was given to a representative sample of about 29,000 students in 18 countries and regions. A whopping 43 percent of Chinese students scored in the top performing level, compared to just 9 percent of U.S. students.

Alex P. Keaton would have been in that top 9 percent.

Kevin Peters is a Goldens Bridge resident and managing director and financial advisor with Morgan Stanley Wealth Management in Purchase. He can be reached at 914-225-6680.

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