

American Consumer Credit Counseling Addresses Need for Financial Education in California



As California ranks among one of the worst states in the country to improve financial literacy for high school students, a national financial education nonprofit survey reveals a significant demand for increased financial education in the classroom among parents and teens alike.

“California has some of the most innovative and technologically advanced students in the country, yet the state is falling short on educating them on personal finance. Financially literate students translate into financially savvy adults.”
Los Angeles, CA (PRWEB) May 29, 2014

Ninety-one percent of Americans believe [personal finance](#) should be a required subject to graduate from high school, according to a recent online poll conducted by American Consumer Credit Counseling. This survey comes as California is ranked among the worst states in the country when it comes to [financial literacy for high school](#) students, according to the Center for Financial Literacy's annual report card.

“California has some of the most innovative and technologically advanced students in the country, yet the state is falling short on educating them on personal finance,” said Steve Trumble, President and CEO of American Consumer Credit Counseling. “We are failing our students by not equipping them with the financial skills necessary to succeed in the future, which, in the long-run, is only going to damage our overall economy.”

Across the country, teens' knowledge of money, including how to balance a checkbook or check the accuracy of a bank statement, declined from 52 percent in 2007 to 36 percent in 2011. And it's not just parents who are looking for more [financial education](#) in the classroom. A recent Sallie Mae poll found that 84 percent of high school students would also like more emphasis on the topic at school.

California's statewide education standards do not include personal finance in its curriculum. There is no requirement for high school students to take [personal finance courses](#), and courses are only offered as electives at the discretion of each individual school. The state had previously made strides towards financial literacy, declaring April as financial literacy month in 2004. But financial literacy bills that would invest in student financial learning have continued to fail in legislation. Although the state does not allocate funds to finance courses in public schools, an account was created in 2011 that accepts private donations to promote financial literacy in the state.

“Financially literate students translate into financially savvy adults,” added Trumble. “There is tremendous value in personal financial education, especially in today's struggling and unstable economy.”

Financial education at an early age is key to successfully managing finances as an adult. According to the Center for Financial Literacy, California received a failing grade in educating students about finance and personal economics. Subsequently, California currently has the sixth highest bankruptcy rate in the nation. States that have a high student financial literacy rate, in most cases, also have a lower rate of bankruptcy among adults. For example, New York state received a B in financial education from the Center for Financial Literacy, and consequently is ranked 42nd for bankruptcy rate in the nation.

Parents can teach their children about managing money at an early age and build the skills for a successful future. In April, ACCC launched a parent's guide to [teaching children about money](#) to help youth of all ages, from kindergarten through high school, understand the basics of [money management issues](#) including saving, credit, and the value of a dollar.

Below are five tips to help your children learn about managing money:

- Value of a Dollar- Children sometimes see money as having infinite value. It is important to teach them that money is earned by working. Have children do chores around the house and give them an allowance for successfully completing their job.
- Difference Between Want and Need- It is important for kids to learn to distinguish between something they want and something they need. A good exercise is to have your child make a list of five things they need and rank them in order of importance, then add the monetary cost next to each item. This will allow them to see how much things cost and make smarter spending choices
- Budgeting- Kids will find that there are a lot of things they want but don't have the money to buy. Create a budget with your child outlining the amount of money they have and how they plan on spending it. This will help them decide what to buy now and how much they can save for the future.
- Saving- Teaching your child that money can grow in value in a bank can give them an incentive to save. Set a goal with your child and specify what they are saving for, maybe a new video game or a car, then outline a system of how much to save each week. This practice will build good saving habits for the future.
- Credit Is Not Free Money- Credit cards can be confusing for children. Teaching kids early that credit cards are not an endless bank will help their future credit scores. Kids can learn the practice of smart credit card use by borrowing money from their parents and having parents set up a credit limit, repayment terms and standard interest rate.

ACCC's Five Steps to Teach Children About Money and additional resources for parents can be found online at ACCC's Youth and Money section.

By visiting <http://www.consumercredit.com/financial-education/youth-money.aspx> parents can access all of the age-appropriate guides for free so that they can start talking to their kids today about topics such as saving, budgeting, and many others.

American Consumer Credit Counseling's certified and experienced counselors offer a variety of financial education, counseling, and debt management services to help consumers achieve long-term financial health and stability. To learn more about these resources or to speak with a representative about what steps consumers need to take before signing up for a credit card, please visit ACCC's Financial Fitness Center at <http://www.consumercredit.com>.

ACCC is a 501(c)3 organization that provides free credit counseling, bankruptcy counseling, and housing counseling to consumers nationwide in need of financial literacy education and money management.

For more information, contact ACCC: locally call 213-533-4115 or toll free 800-769-3571, or visit us online at www.ConsumerCredit.com.

About American Consumer Credit Counseling

American Consumer Credit Counseling (ACCC) is a nonprofit credit counseling 501(c)(3) organization dedicated to empowering consumers to achieve financial management and debt relief through education, credit counseling, and debt management solutions. Each month, ACCC invites consumers to participate in a poll focused on personal finance issues. The results are conveyed in the form of infographics that act as tools to educate the community on everyday personal finance issues and problems. By learning more about financial management topics such as credit and debt management, consumers are empowered to make the best possible financial decisions to reach debt relief. As one of the nation's leading providers of personal finance education and credit counseling services, ACCC's certified credit advisors work with consumers to help determine the best possible debt solutions for them. ACCC holds an A+ rating with the Better Business Bureau and is a member of the Association of Independent Consumer Credit Counseling Agencies. To participate in this month's poll, visit ConsumerCredit.com and for more financial management resources visit TalkingCentsBlog.com.