Guest Column

N.C. must improve financial literacy programs

“The best way to do it, is to do it.” – Amelia Earhart

While she may not have been talking about financial literacy, Earhart’s approach is spot-on when it comes to educating our young people. But while Earhart flew solo, we here in North Carolina prefer to take our cue from the Wright Brothers: partnering to reach our goals.

In today’s increasingly complex financial landscape, financial literacy is a critical component for success. Here in North Carolina, we are working diligently to ensure that every student receives a quality financial education prior to graduation. A recent study found that young adults in three states with a financial education requirement had higher credit scores and fewer credit delinquencies than students in nearby states without.

To meet current North Carolina financial literacy standards, students must demonstrate the ability to summarize how debt management and creditworthiness impact an individual’s ability to become a responsible consumer and borrower.

In 2012, revisions to the social studies Standard Course of Study went into effect, which requires personal finance to be taught to all students in grades K-8 and in the civics and economics course at the high school level. That’s a worthwhile goal, since a solid foundation in financial literacy at an early age gives young people a better chance at becoming financially savvy adults.

However, data reveals that there is a gap between educators’ commitment to the standards and their confidence in delivering on them. Results from a 2012 study administered to North Carolina teachers in all 100 counties, indicate that 83 percent of educators believe it is extremely important to teach financial literacy, but nearly half feel unprepared to teach the subject.

In response to the 2012 teacher study, bipartisan legislation recently was introduced in North Carolina to fund professional development for teachers and to administer an assessment to students receiving instruction from teachers who have completed the training. The purpose of the program is to ensure that teachers feel qualified to teach the components of personal financial literacy that are covered in the curriculum and that students are mastering the material.

In a released statement, North Carolina State Treasurer Janet Cowell said, “We all understand the importance of financial education for the future of our state. This legislation not only assesses the effectiveness of financial education in the classroom, it also provides funding for the critical player – the teacher. It’s vital to the cause that we have educators confident in teaching the material.”

In North Carolina, Fidelity’s commitment to financial literacy and education includes working in partnership with NCCEE over the last two years to host eight teacher training events for more than 350 teachers who impact more than 45,000 students. Assessments to measure financial knowledge before and after the training indicated a double-digit improvement – a 14 percent increase (from 57 percent to 71 percent) in financial knowledge reported by teachers – after just one day of training. The benefits of the trainings impact both students and teachers, as one teacher in the program said, “I now feel more confident to teach my students about finance and manage my own personal saving and investing.”

This type of feedback is important since teachers have noted that one of the main challenges to teaching financial literacy to their students is the lack of opportunities to increase their own financial literacy skills and lack of adequate teaching resources. This creates a significant opportunity for corporate partners, like Fidelity, whose...
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employees volunteer to share their knowledge with educators to help more students become financially literate young adults.

Proactive partnerships between the public, private and nonprofit sectors, in conjunction with our teachers demonstrate that indeed, “the best way to do it, is to do it.”

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