

Ben S Bernanke: Financial and economic education

Speech by Mr Ben S Bernanke, Chairman of the Board of Governors of the Federal Reserve System, at the 13th Annual Redefining Investment Strategy Education (RISE) Forum, Dayton, Ohio (via prerecorded video), 4 April 2013.

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Hello. I'm Ben Bernanke, Chairman of the Board of Governors of the Federal Reserve System. I appreciate this opportunity to speak to the business and finance students and faculty – as well as the practicing financial professionals – attending the University of Dayton's 13th annual RISE forum.¹ Before I became Chairman, I had the pleasure of addressing the 5th annual forum as a member of the Board of Governors in 2005.² At that time, I spoke about the implementation of monetary policy and how crucial effective communication is to that implementation.

Although I cannot join you in person this year, I note from the conference agenda that you are hearing from two Federal Reserve Bank presidents – Charles Evans of Chicago and Dennis Lockhart of Atlanta – as well as former Federal Reserve Board Vice Chairman Roger Ferguson. Effective communication in monetary policy is more important than ever, and I have little doubt that my current and former colleagues will provide you with insights about the Federal Reserve's ongoing efforts to achieve the goals that the Congress has given us: maximum employment and price stability.

In my brief remarks today, I would like to mention another important mission of the Federal Reserve – promoting economic and financial knowledge among people of all ages and walks of life. The Board in Washington and the 12 Federal Reserve Banks throughout the country are all deeply involved in economic education and supporting the work of teachers, schools, and national organizations. For example, the Federal Reserve provides a financial and economic education website with a variety of resources for teachers as well as for students of various ages and levels of knowledge.³ The site offers educational games, classroom lesson plans, online publications, and multimedia tools. Federal Reserve Banks offer professional development opportunities for teachers to improve their ability to present lessons on personal finance topics. A number of Reserve Banks also organize personal finance essay, video, and academic competitions for students. And we encourage students and teachers to visit Federal Reserve Bank learning centers and museums, which feature interactive exhibits about many aspects of banking, the financial system, and the economy.

Among the lessons of the recent financial crisis is the need for virtually everyone – both young and old – to acquire a basic knowledge of finance and economics. Such knowledge is necessary for anyone who will be faced with managing a household budget, making financial investments, finding reliable information about buying a car or house, and preparing financially for retirement and other life goals. Accordingly, in addition to ensuring that students graduate with the financial literacy skills they need to navigate in the modern financial world, we, as a society, must also make sure that adults have opportunities to gain these skills or to refresh what they have learned. Many of you are, or will be, practitioners in the financial services industry – perhaps serving retail clients – and in that capacity I hope you will make the promotion of financial and economic education a part of your mission as

¹ RISE is Redefining Investment Strategy Education. For more information, see www.udayton.edu/business/rise.

² See Ben S. Bernanke (2005), "Remarks by Governor Ben S. Bernanke," speech delivered at the Redefining Investment Strategy Education Symposium, Dayton, Ohio, March 30.

³ See the Federal Reserve Education website, www.federalreserveeducation.org.

well. These skills not only help people provide a better life for themselves and their families, but, by deepening their understanding of the world economy, having such skills also helps equip them to be engaged citizens and informed voters.

Let me close by congratulating the University of Dayton for its leadership in hosting the RISE forum. I hope this innovative program, which I'm told is the world's largest student investment conference, succeeds in its ambitious goal of bringing together the current and future leaders of finance to focus on creating a better economic future.