

Ben S Bernanke: Financial education and the National Jump\$start Coalition survey

Remarks by Mr Ben S Bernanke, Chairman of the Board of Governors of the US Federal Reserve System, at the Jump\$start Coalition for Personal Financial Literacy and Federal Reserve Board joint news conference, Washington, DC, 5 April 2006.

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Good morning. We are here today to learn about a report on a topic of vital importance to our economic future: the financial literacy of America's young people. Increasingly, personal financial security requires the ability to understand and navigate the financial marketplace. For example, buying a home, saving for retirement or for children's education, or even effectively managing the family budget now requires more financial sophistication than ever before. Financially literate consumers make the financial marketplace work better, and they are better-informed citizens as well. As a former educator and school board member, and as the parent of two young adults, I am personally convinced that improving education is vital to the future of our economy and that promoting financial literacy in particular must be a high priority. I know that those of you here today join me in this conviction.

The Jump\$start Coalition is a leader among organizations seeking to improve the personal financial literacy of students from kindergarten to the university level. In particular, through its biennial survey of high school seniors--the results of which you will hear about in a few minutes--Jump\$start has brought increased attention to the issue of financial literacy among youth in the United States. Over the ten-year history of this survey, the data gathered have become some of the most useful measures of what young adults understand about finances.

The Federal Reserve is strongly committed to Jump\$start's mission to better educate America's youth about personal finance. On the regional level, many Federal Reserve Bank staff members work closely with the state coalitions to help achieve this mission. In fact, there is at least one specialist in economic education at each of the Reserve Banks and at most of the Branches. Many of these specialists offer training seminars to help educators teach economics and personal finance in their classrooms. The Federal Reserve also supports a variety of programs and initiatives to increase financial literacy. I want to take a moment to describe just two of these initiatives.

The first is a student competition called The Fed Challenge, a program designed to teach students about monetary policy and the national economy. Among other activities, students in this competition take the roles of Federal Reserve governors and regional Reserve Bank presidents in a mock meeting of the Federal Open Market Committee. Participating Reserve Banks work in partnership with the Board to bring the winning teams to Washington, where the final rounds of competition will be held here in the Board Room. I have had the opportunity on several occasions to serve as a judge in the national finals of The Fed Challenge, and I can attest that the economic knowledge displayed by the students in that competition is remarkable indeed.

The Board also recently collaborated with many of the Reserve Banks on a redesigned Federal Reserve financial education web portal that brings many of the System's resources for financial education together in one location. The site, FederalReserveEducation.org, offers easy access to educational resources designed to benefit not only students, but also parents and teachers. We will continue to work to expand the resources and programs devoted to this important public purpose.

I want to take this opportunity to thank the Jump\$start Coalition and their partners for their continued support and commitment to furthering the financial education of our youth. Now, it is with great pleasure that I introduce to you Laura Levine, executive director of the coalition, who will give a report on the status of financial education of youth in this country.