

Ben S Bernanke: The importance of financial education

Welcoming remarks by Mr Ben S Bernanke, Chairman of the Board of Governors of the US Federal Reserve System, at the Greater Washington Jump\$tart Coalition financial education event, Washington DC, 25 April 2007.

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Good morning. I am pleased to be able to be here today, at the Greater Washington Jump\$tart Coalition's inaugural event, to celebrate Financial Literacy Month 2007 and to say a few words about the importance of financial education. I join other Jump\$tart partners as well as professionals from the fields of banking, finance, government, and law who will be speaking to nearly 2,000 public high school students about financial literacy.

It is a special privilege to be with the students here today, the juniors and seniors of Washington's own Woodrow Wilson High School. You are ambassadors of your school and indeed of Washington, our nation's capital. I know that this is a school committed to academic excellence. As you think about the time, not so far away now, when you will leave Wilson High, I hope that you will resolve to keep, throughout your life, the habits of learning and of thinking for yourself that you have gained in your years here.

As you think about your future, don't forget the importance of financial literacy. Although financial matters are probably not at the front of your minds today, the day will come when you will be responsible for managing your own or your family's budget or when you will find that you need to save to get the things you want – a college education, a new car, or even your own home. To achieve these personal goals and to build financial security, you will need to understand the fundamentals of budgeting, banking, saving, and investment. It is also essential that you know how to use – properly and responsibly – the many types of credit that will be at your disposal, such as credit cards. Later this morning, my colleagues from the Federal Reserve will be talking with you about how to manage your credit. Because credit has become such an integral part of our economy, and because there are so many sources and forms of credit available, much more financial sophistication is required today than when I attended high school. As a parent of two young adults myself, I believe that helping young people become financially literate is critical for their future economic well-being and should be a high priority for educators.

In addition to celebrating Financial Literacy Month 2007, we are here today to celebrate the inaugural event of the Greater Washington, D.C., chapter of the Jump\$tart Coalition for Personal Finance. The Coalition is a national leader among organizations that work to improve the personal financial literacy of students from kindergarten to the university level. In particular, through its biennial survey of high school seniors, Jump\$tart has brought increased attention to the issue of financial literacy among youth in the United States. The results of the surveys, which have shown that students' financial knowledge is often much less extensive than we would like, remind us of the need for continued efforts to help all students – as well as adults – obtain the skills they need to navigate today's increasingly complex financial markets. This new chapter of Jump\$tart has joined forces with over fifty individuals, businesses, and not-for-profit, educational, and government organizations, including the Federal Reserve Board, to increase knowledge about personal finance among schoolchildren and young adults in the Greater Washington, D.C., region. The Federal Reserve is strongly committed to Jump\$tart's mission and to working closely with the local Washington, D.C., chapter – as it does with the other Jump\$tart chapters around the country through its Reserve Banks and Branches – to help achieve this mission.

Finally, I would like to take this opportunity to express my appreciation of the teachers and staff of Wilson Senior High and the administrators of the Washington, D.C., public school district here today. It is your hard work and dedication to these students that will help guide them toward successful futures. There is no higher nor more worthy objective than preparing our young people for fulfilling and productive lives. To the students of Wilson Senior High, I wish you the best of luck in the future, and I especially want to congratulate the seniors who will be graduating at the end of this term. Lastly, a special thanks to the Greater Washington, D.C., chapter of the Jump\$tart Coalition and their partners for their continued support and commitment to furthering the financial education of our youth. Thank you.