

Not on the SAT but just as important: financial literacy

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Mom and dad usually teach the children to manage money. Other kids learn by doing, or too often, not doing and then paying the consequences. There is so much to know: Paying bills, loans for college or cars, credit cards and (hopefully) even beginning to save for retirement.

Educators nationwide are finally starting to add personal financial literacy lessons to the formal high school curriculum. The Florida Board of Education recently adopted a set of national standards for teaching the vital subject.

“It’s a huge issue,” said Robert Brazofsky, executive director of social sciences for Miami-Dade schools.

Miami-Dade schools already have started incorporating the standards into high school classes as part of a statewide mandate. Starting last fall, seniors are in semester-long economics class were learning about everything from developing personal budgets to understanding credit and navigating mortgages and interest rates.

Brazofsky said testing data show the kids are responding well to the new, more personal approach to economics.

“They find it interesting,” he said. “They find the emphasis more practical.”

Last summer, the district provided two-day financial literacy training for 250 economics teachers with the help of a three-year, \$117,000 grant from Discover Financial. Additional teachers were hired to revise the economics guide to thread personal finance lessons throughout the semester. Miami-Dade’s roughly 18,000 12th-graders started getting those lessons last fall.

Brazofsky said teachers have been eager to give their students practical knowledge they can use for the rest of their lives.

The state board adopted standards developed by the Council for Economic Education, a national nonprofit focused on providing resources for educators who teach economics and finance. Florida is the first state to do so.

According to 2012 results from the Program for International Student Assessment — an international test administered to 15-year-olds every three years that measures achievement in math, science, reading and financial literacy — only about 9.4 percent of U.S. students can answer the test's hardest financial literacy questions.

Parents traditionally teach children about how to manage personal finances in different ways. Miami resident Petra Burns said she and her husband opened a bank account for their daughter that was tied to their account in case of an overdraft. Their daughter got a fixed allowance each month that she could spend freely — but she could not ask for more if she ran out and couldn't dip below a certain balance.

The first month, she spent all her money in 14 days.

"That was the one and only time she blew all of her money in two weeks," Burns said, adding that the experience has taught her daughter, now in college, how to manage her finances carefully.

At Miami-Dade Schools, Brazofsky said 50 more teachers are receiving training this year. With teaching materials provided by the Federal Reserve and extra support from the Florida Council on Economic Education and the Miami-Dade College Council on Economic Education, the district aims to keep up the useful life lessons.

"This is much more relevant to students," he said.