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## **WA HIGH SCHOOL SENIORS UNABLE TO ANSWER BASIC MONEY QUESTIONS National Financial Literacy Scores Decline According to J\$ Research**

*Seattle, WA* - Can you select the correct answers to 31 questions about personal money management? Thousands of high school seniors across the country can't.

According to the Jump\$Tart Coalition's (J\$) 2008 Financial Education Survey, twelfth graders have a lot to learn about managing money. Students can correctly answer only 48.3% of the questions; a decline from 52.4% in 2006.

The survey is conducted every two years in high schools across the country. It measures student's knowledge of financial basics. Teachers administer the test to over 6,000 high schoolers in 40 states. Only students who haven't taken financial education classes in high school are eligible to participate in the study.

The results from Washington State look discouraging. Although slightly better than the national average, seniors here failed with a score of 48.6%. Alarmingly, Washington's numbers took a more drastic decline in comparison to the national results (Washington 2006 – 55%). Washington slid 11.6% while the national score declined 7.8%.

Washington State House Representative Sharon Tomiko Santos is taking a proactive approach to raising awareness of the need for financial education in schools. She chairs the Financial Education Public Private Partnership, a taskforce created by legislation in 2004. The group succeeds in bringing together government agencies, educators, financial service providers and non-profit organizations – including the J\$ Coalition – to combat financial illiteracy.

"If only a small percentage of Washington students can pass a personal money management survey, there is an obvious need for financial education," said Representative Santos. "We are working diligently with our partners to find solutions to help students navigate their financial futures."

Among the survey findings:

- 48% correctly said that a credit card holder who only pays the minimum amount on monthly card balances will pay more in annual finance charges than a card holder who pays their balance in full
- 17% correctly answered that stocks are likely to yield higher returns than savings bonds, savings accounts and checking accounts over the next 18 years even though there has never been an 18-year period where this wasn't true
- 40% correctly answered they could lose their health insurance if their parents become unemployed
- 36% (compared with 45% in 2006) think a house financed with a fixed-rate mortgage is a good hedge against a sudden increase in inflation

"Two years ago, we were surprised Washington students failed the survey," said Scott Kinney, President of J\$ Washington. "Today, our economy is more challenging and in this short window of time we lost significant ground. Without education programs in place it is tough to stop this downward trend."

J\$ expanded the survey for the first time to college students. College freshman answered 59% of the questions correctly. More interestingly, college seniors scored 65%. Older students did better than their high school peers partly because of repetition of financial education at the college level and actual life experience managing their own money.

### **A quick look at Washington Results**

Overall score: 48.6 %

Passed (60%+): 23.7%

C or better (75%+): 3.6%

#### **Subject Category Scores**

- Income: 56.3%
- Money Management: 42.3%
- Savings: 42.1%
- Spending: 51.2%
- Debt: 44.3%

Detailed results of the high school and college surveys are available at [www.wajumpstart.org](http://www.wajumpstart.org).

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#### **About the Jump\$Start Washington Coalition [www.wajumpstart.org](http://www.wajumpstart.org)**

Jump\$Start is a nonprofit coalition promoting the need for financial education. The group supports J\$ national initiatives and provides teacher training seminars and special events for students. Members include individuals, public and private organizations, educators, and non-profit organizations. More information about the financial literacy survey and the coalition's financial education month initiatives are posted on the website.

#### **About Jump\$Start [www.jumpstart.org](http://www.jumpstart.org)**

The Jump\$Start Coalition is a Washington, DC-based 501-c-3 organization of nearly 180 national partners and a network of 48 affiliated state organizations that conduct or support financial education for students in kindergarten through college. J\$ strives to prepare youth for lifelong successful financial decision making. The J\$ Clearinghouse lists more than 700 titles of financial literacy materials available and can be found at [www.jumpstartclearinghouse.org](http://www.jumpstartclearinghouse.org).