
Pamela Yip: High schools focus on financial lessons

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Texas education officials are setting higher academic standards for high school students, requiring them to have four years of math and science to graduate.

You can include stricter requirements for financial literacy in that.

Such programs are all the rage, as companies, educators and experts realize that a strong foundation in personal finance education enables young people to head off financial mistakes that will have far-reaching consequences.

Many Texas school districts have been incorporating personal financial literacy as a component of economics courses, which are required for high school graduation.

Previously, the state mandated that students understand "consumer economics," including investing, credit, interest, insurance, and the process of buying goods and services.

Starting in the fall, the state mandates are meatier.

Areas that must be covered:

- *Understanding interest, and avoiding and eliminating credit card debt.

- *Understanding the rights and responsibilities of renting or buying a home.

- *Managing money to make the transition from renting to homeownership.

- *Starting a small business.

- *Being a prudent investor in the stock market and using other investment options.

- *Beginning a savings program and planning for retirement.

- *Understanding bankruptcy.

- *The types of bank accounts available to consumers and the benefits of maintaining a bank account.

- *Balancing a checkbook.

- *The types of loans available to consumers and becoming a low-risk borrower.

- *Understanding insurance.

- *Charitable giving.

"Now, there's a very clear signal to all the public schools in Texas that these areas really

need to be covered in economics before students graduate," said Michelle Davidson Ungurait, director of social studies at the Texas Education Agency.

Very specific

"The main difference in the fall is that the course will cover very specific things," she said. "This is calling for a much more rigorous, intense study of personal financial literacy in the mandated economics course for graduation."

This is a very good thing. I've written several columns about how important it is for young people to learn about how to manage money before they become adults.

"More kids have the ability to work today, and they're making pretty good salaries," said Mike Farish, principal of Wakeland High School in Frisco, which will open in August. "Young people should be exposed to some of the pitfalls of personal finance, as well as the rewards."

Because his school will open with just freshman, sophomore and junior levels to start, it will incorporate financial literacy knowledge into marketing classes, introduction-to-business courses and business management classes, Mr. Farish said.

Educators at the Dallas Independent School District are also eager to institute the new financial literacy requirements, spokesman Celso Martinez said.

"We're starting off a new year, and we're really excited about moving forward with a curriculum that addresses those things that are absolutely essential for our youngsters to have," he said.

United effort

I'm heartened to hear that educators feel good about teaching these courses, because it's going to take a united effort by them, parents and the community to really make financial literacy programs successful.

The teachers have one thing going for them.

"When you have the kids' attention on something that is very applicable to their world, you have their attention, and when you have their attention, they're easy to teach," Mr. Farish said.

The schools are doing their part; parents must, also.

Teach your kids the importance of saving money and how their youth is a huge advantage because of the time they have for savings to accumulate over time.

"It takes a commitment from parents and students in realizing how important a skill this is," said Jill Pharr, executive director of the Texas Credit Union Foundation, which is helping to train teachers to teach the financial literacy information.

"They've got to manage their resources."

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