

Financial Literacy Project Of Eastern Kentucky

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Importance of Financial Literacy:

- Lack of financial literacy lead individuals to borrow more, accumulate less wealth, and pay more in fees related to financial products. They are less likely to invest, more likely to experience difficulty with debt, and less likely to know the terms of their mortgages and other loans.
- The Council for Economic Education survey found "notable improvements" in credit outcomes for 18- to 22-year-olds in three states — Idaho, Georgia and Texas — where financial education mandates are considered rigorous.

Scary Statistics:

- In a study conducted by TIAA-CREF Institute, only one-third of Americans over 50 were able to correctly answer three questions concerning interest rates, the effects of inflation, and the concept of risk diversification.
- A survey from the Financial Industry Regulatory Authority found that young Americans were less likely to be financially capable than older Americans.
- Although, financial decision-making is becoming increasingly complex the Council for Economic Education survey found that only 17 states require high school students take a course in personal finance.

Our mission is to empower others with financial information, so they may feel confident and prepared to make everyday financial decisions.

Topics Discussed in the Financial Literacy Presentation:

- Consumer Rights
- Debit Cards vs. Credit Cards
- Long-term Consequences of Student Debt
- Various Strategies to minimize Student Debt
- How to Check Ones Credit Score
- Establishing and maintaining Credit Score
- Compounding Interests Effect on Investment and Loans
- Importance of Early Retirement Preparation
- Retirement Planning Options (Employer Sponsored Plans, IRA's)
- Importance of Early Preparation of Dependents Educational Expenses
- Educational Planning Options (529 Plans, ESA)



Survey Results

As a part of the Financial Literacy Program, 13 financial presentations were presented to FYS classes on campus and 225 MSU students were surveyed. According to the survey:

- 48.97% of Students Graduated from a High School where a Personal Finance course was offered*
- 82.67% of Students Felt High School Did Not Adequately Prepare Them To Make Financial Decisions
- 94.8% of Students found the Financial Literacy Presentation Informative
- 97.59% of Student Believe Financial Literacy Is a Topics That Should Be Covered High School

Future of Financial Literacy at MSU and throughout Eastern Kentucky:

The importance of financial literacy on campus, in the region, and across the nations is abundantly clear. Therefore, it is vital that MSU business professors come together to select students capable of continuing the financial literacy program. Once the candidates have been selected, we must provide them with the resources necessary to continue researching the importance of financial literacy, compelling to state legislation to enforce rigorous mandates that have made personal finance courses in Georgia so successful, and presenting financial literacy presentations both on-campus and throughout the region.