GOAL: Make Financial Education a High School Graduation Requirement in MS.

Financial Illiteracy: The Problem in Mississippi

Mississippi ranks dead last in a survey of residents’ financial habits. According to the U.S. Financial Capability Study, we rank lower on nearly every national average:

- 60% Mississippians break even or spend more than they bring in
- 41% have overdue medical bills – highest in the nation
- 64% have no rainy day fund
- 38% use payday loans, title loans, pawn shops, or other non-bank borrowing
- 47% lack a traditional bank account
- Only 40% pay their credit cards in full each month
- 10% have underwater mortgages
- 60% don’t shop around or compare credit cards
- 68% lack a fundamental financial literacy

Lack of Financial Literacy Perpetuates the Cycle of Poverty And Weighs Down Mississippi’s Economy

It is no coincidence that Mississippi has the highest poverty rate in the country. If people don’t understand how to keep their credit score good or don’t know the difference between a 401(k), Social Security, and a company pension plan they cannot accumulate wealth. If they can’t accumulate wealth, they cannot be the kind of smart consumers and productive citizens that help our economy thrive. What’s more, a financially literate population helps draw new employers to Mississippi, bringing more and better jobs to our state.

Financial Education Works

In its 2016 Survey of the States, the Council for Economic Education reported, “Student credit scores are 8 to 17 points higher by age 22 in three key states that made [financial education mandatory for graduation] in 2007.” Our own experience in Mississippi with the Treasurer’s Education About Money (TEAM) demonstrates that students who take a course in financial education improve their financial awareness by 91%.

Mississippi Gets a C Grade on Financial Education

The Champlain College Center for Financial Literacy gave Mississippi a C grade on its 2015 report card. Every state around Mississippi achieved a higher grade. And, the Corporation for Enterprise Development just ranked Mississippi 51st in the nation in our ability to provide our citizens financial security, naming in part our lack of a financial education graduation requirement.
Mississippi doesn’t require a course in financial education to graduate from high school. It must be offered as an elective, but monitoring how it is offered and measuring student achievement is lacking.

**Treasurer’s Education About Money (TEAM) is Helping Mississippi Do Better**

The public-private partnership Treasurer Lynn Fitch launched in the 2014-15 school year is helping to improve Mississippi’s standing. Before TEAM, the Community Foundation of Northwest Mississippi funded financial education, reaching 6,900 students in 72 schools in the 2013-14 school year and increasing participating students’ financial awareness by over 40%.

TEAM built on this successful foundation and in its first year:

- Over 19,000 students completed the program
- Approximately 67,000 hours of financial education learning were completed
- More than 230 schools participated
- 555 teachers were trained, impacting approximately 55,500 students
- Students increased their financial awareness by a whopping 91%

Financial institutions that do business in Mississippi see the value in better financial education. As Treasurer Fitch has approached them about TEAM, they have eagerly joined in her fight. They include:

- Trustmark
- Hancock Bank
- Mississippi Credit Union Association
- AT & T
- Community Bank
- Community Foundation of Northwest Mississippi
- Blue Cross Blue Shield
- Regions
- Mississippi Bankers Association
- Mississippi Economic Council
- Bank Plus
- Community Spirit Bank
- Mississippi Council on Economic Education

**Mississippi Needs to Take the Next Step on Financial Education**

The Mississippi economy is making enormous strides forward. We’ve created 40,000 new jobs, reduced unemployment to an 8-year low, reached $100-billion GDP, and brought in $2.9 billion in private sector investment. Teaching our youth the language of money is the next logical step in breaking the cycle of poverty and putting Mississippi on a path of sustained economic growth.

The Mississippi House has passed legislation to make financial education a high school graduation requirement twice, with overwhelming bipartisan support. The Mississippi Senate has not yet considered the legislation. Rep. Moore and Senator Wiggins have introduced the bills this year (HB 1054 and SB 2429).

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