

Intro to Personal Finance



PACIFIC NW
FEDERAL CREDIT UNION

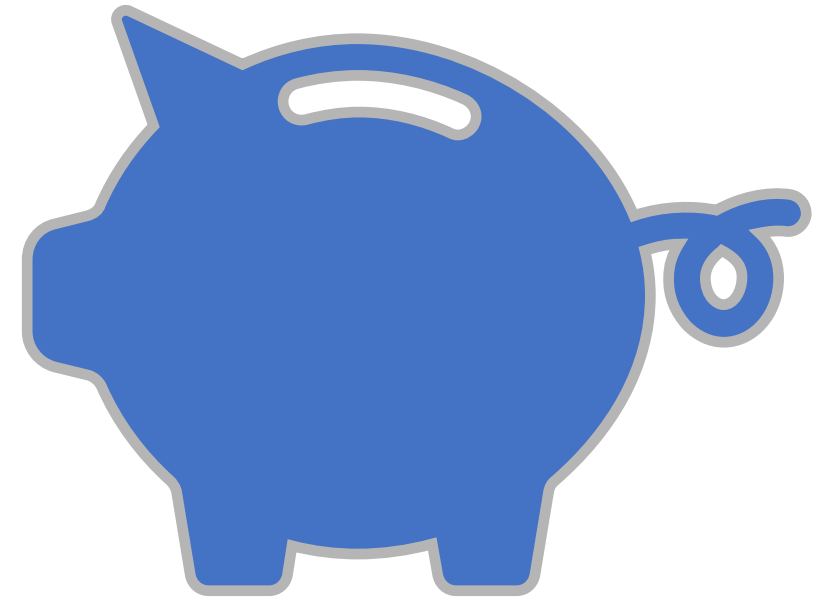


Why financial education?

What is Personal Finance?

Personal finance is a term that covers managing your money as well as saving and investing.

It encompasses all things money related in your world; budgeting, banking, insurance, mortgages, investments, retirement planning, tax and estate planning, etc.



Why is financial education important?

Borrowers who scored lowest on financial literacy tests were in mortgage delinquency 25% of the time compared to the 12% mortgage delinquency for those who scored highest on the assessment.

Mortgage Delinquency: When the borrower fails to make payments on their home load as outlined in their loan documents.

Why financial education is important?

Households that scored higher on a specially constructed savings index were found to be more likely to own a checking account and have an emergency fund.

Specially Constructed Savings Index: How families scored when rated on a scale based on their current financial habits.

<https://www.federalreserve.gov/pubs/bulletin/2003/0703lead.pdf>

Why financial education is important?

Attending an employer-sponsored retirement seminar saw net worth increase by nearly 27% for those who were in the lowest income bracket and had not received a high school diploma.

Net worth: The value of the assets a person or corporation owns, minus the liabilities they owe.

http://www.Dartmouth.edu/~alusardi/papers/financial_education_2004.pdf

Why financial education is important?

Only 23% of kids surveyed indicated they talk with their parents frequently about money.

Who helps you think about how to save and use your money?

http://www.moneyconfidentkids.com/content/dam/money-confident-kids/PDFs/PKM-surveys/2017_PKM_results.pdf

Why financial education is important?

The average debt of students when they graduated from college rose from \$18,550 in 2004, to \$32,750 in 2019, to \$38,290 in 2023.

From 2004 to 2009 credit card debt increased 74% and has continued to rise since. Experian estimates average individual credit card debt among those who carry a balance is close to \$7,000.

<https://ticas.org/>

Your Thoughts?

After reading these statistics, why do you think Personal Finance is now a required course of study for Oregon high school students?