

Millions of us should make financial literacy a priority



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Have you ever heard the phrase, “Born with a silver spoon in your mouth”? It means born to a life of financial privilege.

I was born with a plastic spoon in my mouth.

Like many Americans, I did not receive any formal education on how to manage money. From cradle to college to corporate America, I did what most Americans do—I spent far more than I saved.

A 2007 survey of 2,000-plus Americans by the Consumer Federation of America found that half of Americans (52 percent) say they are not saving adequately. Of those surveyed, 17 percent say they can’t afford to save at all, while 35 percent say they are saving but not enough to meet shortand long-term financial needs.

The financial crisis has changed consumer behavior during the past year but only to a limited extent. People hesitate to spend in this environment. As of May, the U.S. savings rate is 6.9 percent.

At this rate of savings, we are not prepared to deal with minor, unexpected expenses that we can encounter at any time—such as car trouble or a broken appliance. When we experience more dramatic life-altering events, such as unemployment or the death of a spouse, we can find ourselves financially (as well as emotionally) devastated.

There are many who find it challenging to save because of difficult life circumstances. But there are millions of us who have some source of income and could manage our money better by increasing our financial education.

This is not the first time you’ve heard that you should seek information on making better financial decisions. Yet many of us would rather spend our time doing anything other than raising our financial awareness.

Financial education has to be a priority.

When I teach financial literacy classes, I stress that the choices you make now will determine the choices you can

make in the future.

I’ve heard people say, “If I only had more money.” It’s not how much money you have that matters—it’s what you do with the money you have that makes a difference. Having more money will only bandage your financial woes.

Albert Einstein said, “Problems cannot be solved at the same level of awareness that created them.” Make a choice for change today. Instead of searching for that new car, house or perfect pair of shoes, spend time searching to increase your level of financial education.

Whether you want to build your credit, invest in a home or higher education, shop for a loan or open your first bank account, there is a wealth of information available to help you make smart choices.

It is so vital to equip children with financial knowledge. Start as soon as your kids recognize the concept of money. If you have a child in school—especially if your child is headed to college and hasn’t yet learned the financial basics—have him or her take a quick and easy online course to start on the right path. Financial education will put your child on the road to financial readiness instead of financial ruin.

We have to make more informed choices in all aspects of our lives. In my life, my wants and needs are at times competing, and I have to “just say no” to the perfect pair of shoes or, sometimes, just “no right now.” If I manage my money wisely, I can prioritize my spending and still treat myself now and then.

Having the knowledge is not the same as having the desired behavior change. Knowledge plus change equals success.

It does not matter if you were born with a plastic or silver spoon, because most of us can learn how to reach our goals. I encourage you to do just that—and once you’ve figured it out, share what you’ve learned with others.