



## **ABA News to Use**

*Keeping banking's frontline personnel informed*

### **Banking on Financial Literacy**

According to a 2003 Capital One study, 87 percent of college and 90 percent of high school students rely on their parents for financial guidance.

However, only 26 percent of parents feel well prepared to teach their kids about basic personal finance, according to a FleetBoston survey the same year. The problem is clear. Children expect parents to teach money lessons, but many parents do not feel capable of tackling this critical subject matter.

Banking professionals are uniquely qualified to help fill this financial education knowledge gap and provide young people with essential financial skills. All too often bankers see evidence of financial illiteracy and the problems it creates.

Research has shown that as little as 10 hours of personal financial education positively affects students' spending and savings habits (National Endowment for Financial Education 2003-2004 Impact Evaluation).

American Bankers Association Chairman Harris Simmons, the president and CEO of Zions Bancorporation, Salt Lake City, lists financial education as one of his top priorities. In the January 2006 issue of *ABA Banking Journal* magazine, Simmons issued a challenge to all bankers to become involved in financial education.

One way you can join Harris Simmons and other bankers is by participating in the ABA Education Foundation's 10th annual National Teach Children to Save Day on April 25. Bankers have presented lessons to almost 1.5 million students since the program's creation. You can introduce children to saving using concepts such as needs vs. wants, budgeting and saving for a goal. And your efforts can make a difference.

While educating youth in the community, many bankers find they reach parents and other family members with valuable financial information. This provides opportunities to expand your bank's customer base.

The ABA Education Foundation offers high-quality, easy-to-use materials for bankers to plan classroom presentations. To learn more, go to <http://www.aba.com/Consumer+Connection/default.htm>.

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*For information about ABA News to Use, or to suggest subjects for future articles, please contact ABA's [Brian Nixon](#).*