

Glenn Hamer
President & CEO
Arizona Chamber of Commerce and Industry
602-248-9172

Elena Zee
President & CEO
Arizona Council on Economic Education
480-368-8020
programs@azecon.org

NEWS RELEASE

Financial Education is Critical to Business Success and Economic Growth

Phoenix, Arizona April 15, 2019 - Governor Doug Ducey and State Treasurer Kimberly Yee recently declared April as Financial Literacy Month in Arizona. Also, this April the Arizona legislature approved and Governor Ducey signed S.B.1184, the Financial Literacy Bill into law. This is a significant milestone for Arizona.

According to a recent Federal Reserve research, almost half of American adults do not have \$400 in emergency savings. That's just one paycheck away from being homeless. And almost 20% of employees have financial problems severe enough to negatively impact their productivity and that a financially stressed employee spends 20 hours of work time each month on personal financial problems. Business owners are no exception. A review of the financial information for many failed businesses shows that the business would have been quite successful if the owners had made sound financial decisions.

Statistics like these indicate many Americans are severely limited in their ability to handle their finances well, negatively impacting productivity and economic growth.

We applaud State Treasurer Kimberly Yee for leading our state to mandate financial education in high schools. Research by NEFE showed that states with financial education mandate produce better borrowing decisions by college students, especially those from low-income families. Financial education mandate increases the likelihood that students apply for financial aid, increase acceptance of both grants and subsidized federal loans, decrease private loan amounts and decrease the likelihood of carrying credit card debt. With the increasing focus on postsecondary education and FAFSA completion at 60% in Arizona, financial education is essential.

According to Dr. Andrew Hill, Economic Education Officer at the Federal Reserve Bank of Philadelphia, young people's knowledge of personal finance increases when they are taught by well-trained teachers who use proven curriculum materials. It's not surprising that this model works. It's the same approach used to teach subjects like language arts, science, and mathematics in the nation's K-12 schools. Arizona is on a promising path with the support of K-12 schools, legislature, the state treasurer's office, the Arizona Department of Education and the community. An initiative to demonstrate personal finance proficiency with a personal finance seal on the high school diploma is being launched throughout the state.

The time is now to invest in financial education and implement a longer-run, more intentional approach to produce young adults who can excel at handling their own money and become productive employees and employers in the workforce.