

## Wisconsin Facts

### Wisconsin's Financial Capability<sup>1</sup>

Living paycheck-to-paycheck - 54% of WI residents spend equal to or more than their income

“Rainy day fund” - 51% of residents do not have emergency money of three months of income

Credit cards - 60% of state residents did not comparison shop for credit cards

Borrowing - 16% of state residents have engaged in some form of high-cost, non-bank borrowing during the last five years, such as payday lending or advances on tax refunds (42% for Millennials\*)

Financial literacy - On a test of five basic questions, 56% of Wisconsin participants answered three or fewer correctly.

### USA's Financial Literacy Rank Internationally<sup>2</sup>

More than one in six students in the United States—17.8% compared with 15.3% across other countries – does not reach the baseline level of proficiency in financial literacy. The United States performs around the average ranking somewhere between 8 and 12 among 18 studied countries.

Recent high school grads lack financial capability<sup>3</sup> Only 24% of Millennials demonstrated basic financial knowledge, nearly 30% are overdrawing checking accounts and 81% have at least one long-term loan.\*

Required personal finance course<sup>4</sup> 36% of Wisconsin school districts do not have a one semester requirement.

Mandated financial education in high school increases financial knowledge later in life including improved retirement planning—a powerful proxy for wealth building.<sup>5</sup> Student credit scores are 8 to 17 points higher by age 22.<sup>6</sup>

Teachers<sup>7</sup> While 89 percent of K-12 teachers agree that students should either take a financial education course or pass a competency test for high school graduation, relatively few teachers believe they are adequately prepared to teach personal finance topics.

Academic and Career Readiness<sup>8</sup> Choosing the right path after high school is increasingly crucial. Student loan debt now surpasses debt on credit cards and auto loans—the largest form of consumer debt outside of mortgages (WI ave. \$29K).

### Financial Literacy in the Work Place<sup>9</sup>

59% Wisconsin employers provide some financial education

Provider: 70% use outside provider

Top topic taught: “investing for retirement”

Reason: 70% perk improving morale and loyalty, 30% employee demand

41% provided no financial education because it was not seen as a benefit and concerns about time

<sup>1</sup> Financial Capability Study, FINRA, July 2016. The data were collected through an online survey of 27,564 respondents (approximately 500 per state, plus D.C.), during a five-month period, June through October 2015. State figures are weighted to be representative of each state in terms of age, gender, ethnicity and education.

<sup>2</sup> Programme for International Student Assessment (PISA) 2012 is the first large-scale international study to assess the financial literacy, learned in and outside of school, of 15-year-olds nearing the end of compulsory education. Eighteen countries and economies participated in the assessment of financial literacy. In a global economy, success is no longer measured against national standards alone, but against the best-performing and most rapidly improving education systems. <http://www.oecd.org/education/first-oecd-pisa-financial-literacy-test-finds-many-young-people-confused-by-money-matters.htm>

<sup>3</sup> Millennials & Financial Literacy—The Struggle with Personal Finance, PwC, January 2016.

<sup>4</sup> Wisconsin Department of Financial Institutions school district survey 2014.

<sup>5</sup> Lusardi, Annamaria, National Bureau of Economic Research, [www.nber.org/reporter/2009number2/lusardi.html](http://www.nber.org/reporter/2009number2/lusardi.html), 2009

<sup>6</sup> Brown, A., J.M. Collins, M. Schmeiser, and C.J. Urban (2015). Evaluating the Effects of High School Personal Finance Graduation Standards on credit Defaults.

<sup>7</sup> National Endowment for Financial Education. March 2009, Holden and Way.

<sup>8</sup> Federal Reserve Bank of New York, Fourth Quarter 2012 Report, Student Loan Debt by Age Group.

<sup>9</sup> Governor's Council on Financial Literacy, Wisconsin State Council SHRM and UW-Madison. In 2008 and 2012, 451 employers completed surveys in Wisconsin.

## Wisconsin Financial Literacy Accomplishments (*Highlights*)

<p><b>Teacher training</b> – Conducted for 16 years (nationally recognized)!  <i>National Institute on Financial &amp; Economic Literacy (NIFEL)</i>          (Formerly <i>Wisconsin Institute on Financial &amp; Economic Education</i>)</p>	<p>888 total educators          594 WI active HS teachers          46,000 students (2015-16)</p>
<p><b>Standards</b> – WI Model Academic Standards for Personal Financial Literacy          Governor’s Financial Literacy Innovation Awards, 2012 (\$250,000)          Governor’s Financial Literacy Innovation Awards, 2014 (\$350,000)          Governor’s Financial Literacy Innovation Awards, 2016 (\$152,000)          2015 – Total number of Wisconsin High School graduates receiving          Personal finance through graduation requirement          Percentage of all Wisconsin high school graduates</p>	<p>Created 2005 (first of its kind)          24 schools, 12,500 students          26 schools, 13,000+ students          11 schools,          31,766 students          64% (up from 25% in 2010)          54.12%</p>
<p><b>Online teacher training</b>—Financial Literacy <i>Teach-IT</i></p>	<p>Created 2009 (first of its kind)</p>
<p><b>Government innovation</b> —high profile achievement          Governor’s task forces          DFI, Office of Financial Literacy           US President’s Advisory Council on Financial Literacy          Center for Financial Security, School of Human Ecology,          College Affordability and Student Loan Specialist</p>	<p>3 gubernatorial committees          Nationally recognized, Top 50 Innovations in          Government - Harvard University          Wisconsin only state to serve on council          Pioneering research UW-Madison          Website launched 2016, <i>LookForwardWI.gov</i></p>
<p><b>Money Smart Week</b>®— 11<sup>th</sup> anniversary, 2016          First-ever <i>statewide</i> awareness and educational campaign</p>	<p>16,284 participants          606 volunteer organizations          562 events</p>
<p><b>The Money Conference</b>™ – 17<sup>th</sup> anniversary, 2016          Created one-day education for low to moderate income of all ages</p>	<p>4 cities          400 participants</p>
<p><b>Finance and Investment Challenge Bowl</b> (first of its kind) 2015-16</p>	<p>628 students, 155 teams          8 regional tournaments and a          State final championship</p>
<p><b>Workplace financial literacy</b> – <i>Investor Education in Your Workplace</i>™          (Formerly <i>Real Progress and Pathways to Prosperity “RP3”</i>, 2009)          30,000 hours of free financial education          Round II (20 public and private employers, 2011)  <i>Financial Fitness Check Up</i>, Wisconsin annuitants, 2015</p>	<p>Created (national model)          80% WI’s credit union industry          4000 employees          2000 employees          10,000 employees</p>
<p><b>Governor’s Financial Literacy Awards</b>—honoring financial literacy leaders          Annual statewide awards, 2015</p>	<p>15 individuals, businesses          and organizations</p>
<p><b>Wisconsin Summit on Financial Literacy</b>          Sixth Annual– October 4, 2016, Lambeau Field</p>	<p>145 educators and community/          business participants</p>