

The Importance of Financial Literacy

Key Messages

- After years of spend, spend, spend, more Americans are spending less and saving more. In fact, nearly half of Americans surveyed said they are spending less, according to the Financial Literacy Month survey by Money Management International (MMI).
- April 1st is the official start of National Financial Literacy Month. Many consumers, some for the first time, are living in a down economy. The month-long initiative offers an opportunity for individuals to learn about finances and effective strategy to better their overall financial situation. The effort started in 2003 when the United States Senate declared the month of [April National Financial Literacy Month](#).
- Understanding money matters like creating and [managing a budget](#), paying down debt while [saving for emergencies](#), and creating [achievable financial goals](#), is an important step for anyone making and spending money. Parents should set good examples for their children, and begin teaching them smart money habits early. Over 58 percent of students surveyed said they learned about personal finance and money management from their parents. Only seven states have requirements to teach personal finances.
- Credit is harder to obtain, personal income is stagnant, and prices are increasing for most basic consumer goods. The more consumers know about budgeting and managing personal finances, the better they can make wise choices when spending their hard earned money. During the down economy, consumers have come to realize that credit is a tool of convenience and not an extension of their income.
- Resources are available at every turn. From interactive games, songs, and books, to education material offered by financial institutions, nonprofits and governmental agencies; help is available. The financial experts at MMI launched [FinancialLiteracyMonth.com](#) in 2008 to offer consumers a step-by-step roadmap for achieving financial freedom. The site offers a financial step for each day of the month to help consumers get closer to their financial goals one step at a time.

Key Statistics

- According to MMI's Financial Literacy Month survey, one-third of Americans said they should be responsible for their own financial education.
- When faced with financial challenges, 27 percent of Americans would reach out to financial education service providers (credit counseling services, Saves Coalition) first. Banks and financial planners were named by 23 percent and 24 percent respectively.

➤ Nearly four in five adults agree that they would benefit from advice and answers to everyday financial questions from a professional, according to survey results from the National Foundation for Credit Counseling.