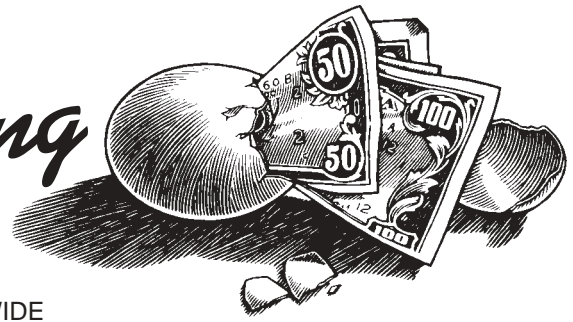


High School Financial Planning Program

STATEWIDE
NEWSBITS



Spring 1995

1995 Survey of Consumer and Personal Financial Education in North Dakota High Schools

Principals of North Dakota high schools were surveyed in December '94 and January '95 to determine the preparedness of graduating seniors with regard to consumer and personal finances. Fifty-six percent of the principals responded. Of the principals returning surveys, 45 percent offer separate consumer education courses. These courses are taught in a variety of departments: math, social studies, business education, economics, and home economics. Of these, the majority of the classes are taught in business education and home economics departments.

Course names vary immensely: from "Family Living" to "Business Concepts" to "Computer" to "Entrepreneurship" to "Office Practices." In all, 51 different course names were identified.

Only 27 percent of the principals responding indicated that a consumer economics course is required for graduation. This course was usually 50 percent Economics. The median percentage of graduating seniors who

have taken a course in consumer economics is between 50 and 55 percent.

Approximately 42 percent of the principals responding offer personal finance courses. These courses are usually taught in business education (37 percent) or home economics (25 percent) departments, but are also offered in math, economics, and sociology departments. Course names also vary from "Personal Finance" to "Consumer Math" to "Applied Math" to "American Government." In all, 32 different course names were identified.

Most schools not offering personal finance courses have personal finance units taught within other courses (over 95 percent). These units are usually within business, math, home economics and accounting courses.

The principals indicated a median percentage of approximately 40 to less than 45 percent of graduating seniors have taken a personal finance course.

Seventy-eight percent of the principals indicated that their graduating seniors were "not at all" to "only somewhat" prepared to handle their personal finances and consumer decision-making. Only 22 percent said their students were "well" or "very well" prepared.

Only six percent of the principals said that consumer education was "only slightly" important; not one principal indicated it was "not at all" important. Fifty-six percent of the principals said it is "important" and 38 percent responded it is "very important."

One vocational school principal wrote "Each student's schedule is real full now. It would have to be worked in with another existing course."

The principal at one of the largest high schools in the state wrote, "The courses I have mentioned are extremely important courses to prepare our students for the future. 'Personal Finance' should be a required course at the freshmen or sophomore level."



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This publication will be made available in alternative formats for people with disabilities upon request, 701/231-7881.

Other responses included:

"It is essential in the 21st century lifestyle to have a well-rounded awareness of consumer economics. The state's consumer protection pamphlets have been an integral part of my PDP courses."

"We are not able to teach it because of lack of teachers available — tell that to the legislature."

"These are courses that should be mandatory for all students. These are everyday survival skills people need."

"School finances limit the course offerings regarding this meaningful area — a separate class offered would be great."

"I feel it is important but in reality, it's difficult for many college bound students to take those courses because of the university system's requirements for entrance to college."

"It's important to develop good planning and savings habits at an early age. Students have a lifetime of dreams ahead of them. They should be taught how to plan and manage their resources so their dreams become realities."

"I feel it is essential. As students are spending more time on their own and working at earlier ages, I feel they need a background in budgeting and money management as we do (teach) in the eighth grade. It should keep being reinforced in 9-12 grades."

"I worked in a bank for one year in the community and found that the students were very poorly prepared for everyday financial decisions."

"Because of economic and financial issues facing everyone, it is important to be a part of HS curriculum."

New Resources Available

Credit Smart Kids

A 10-minute video with eight board games to introduce grade and junior high students to the concepts of personal finance and wise use of credit. Available to borrow free of charge from:

Debb Pankow,
Family Economics Specialist
NDSU Extension Youth and Family
219 FLC, PO Box 5016
Fargo, ND 58105
Ph 701-231-8593, FAX 701-231-8568

Piggy Banks to Money Markets: A Kid's Video Guide to Dollars and Sense

30 minutes, live action, activity guide. How to earn money and start your own business. New music, fun graphics. Upper elementary and junior high. Available for use from State Extension Office (address above).

An Introduction to Intelligent Money Management

30-minute video. This informative program shows viewers that the ability to be in control of their finances influences more than just their bank balances. Viewers learn how to make the most of even a part-time or entry-level income, and establish life-long habits that will lay the foundation for a sound financial future. Availability: State Extension Office, address above.

Credit Wise: Coming to Terms

Fifteen-minute VHS. A consumer education program from American Express Company — explores the use of credit cards with real people representing different stages in family life cycle. Includes guide. Availability: State Extension Office.

Credit Education: Strategies for Success

858 NDSU Extension Media Library. Two-hour videotape of satellite conference held Dec. 7, 1994, featuring financial experts discussing current issues of credit choices, costs and control.

To order, contact:

Media Library
NDSU Extension Communications
Morrill Hall
North Dakota State University
Box 5655
Fargo, North Dakota, 58105-5655
Phone 701-231-7399
Fax 701-231-7044

Mention you are requesting HSFPP materials, fund # 5476 to receive free of charge.

Enhancing the Financial Literacy of Older Youth

#871 NDSU Extension Media Library. Two-hour videoconference held in November 1994 featuring successful strategies for teaching older youth financial management concepts. Limited number of resource packets available from Extension Media Library, see above address and instructions.



To receive a complete listing of resources to assist your efforts in teaching older youth about financial management,

please contact

*Debb Pankow,
NDSU Family Economics Specialist,
219 FLC - PO Box 5016,
Fargo, ND 58105*

*Phone 701/231-8593
Fax 701/231-8568.*

Welcome New Readers

As a result of the survey, I have a mailing list of over 175 North Dakota educators interested in teaching high school students about personal finance and consumer decision-making. To those of you receiving this newsletter for the first time, Welcome! If you would like to continue to receive this type of information, either send in the form from the enclosed brochure on the High School Financial Planning Program (you will automatically be added to the mailing list for this newsletter), or, if not interested in that program, return the following response form to me. This newsletter is published approximately twice a year and will keep you up to date on activities and resources related to high school students and their financial literacy.

Return by June 1, 1995 to:

Debb Pankow
NDSU Extension Family Economics
Specialist
PO Box 5016
Fargo, ND 58105



Please keep me on the mailing list for the High School Financial Planning Program Statewide Newsbits!

Name _____

Title _____

School _____

Address _____

City _____

State _____ Zip _____

Teach Your Students To Be Bank Smart

The North Dakota Bankers Association has resources available for presentations for K-12 and adults on a variety of personal money management topics. Several of these resources are hands-on student activities — such as exercises for filling out deposit slips, checks and checkbook registers.

The material can be borrowed on a loan basis through your local commercial bank. Bankers will be glad to make presentations to your classes or conduct in-house bank tours.

A brochure with a listing of topics available is included. For more information, contact your local banker or Cheryl Thompson, Education Director, North Dakota Bankers Association at 701/223-5303.

Too Good To Be True . . .

[A column on Consumer Issues by Attorney General Heidi Heitkamp's Consumer Protection and Antitrust Division.]

Quizzing Your Consumer Know-How

The consumer market is a rough and tumble place. The smart save money and prevent mistakes; the naive fall victim to scams and bad deals. How do you stack up? Here is another quick quiz of common consumer questions. (Answers follow)

1. You enter into a rent-to-own agreement for a 19" TV set. The cash price (the amount you would pay to

buy the TV with one payment) is \$311. You will pay \$9.99 a week until you own the TV in 52 weeks. When the year ends, about how much will you have paid, and at what interest rate?

- \$395.17 at 21% interest.
 - \$482.10 at 52% interest.
 - \$519.48 at 112% interest.
2. You are getting ready to move out of your apartment next month. Can you require your landlord to apply your security deposit to your last month's rent.
- No, you can ask, but it is up to the landlord.
 - Yes, as long as you signed a lease when you took the apartment.
 - Yes, as long as you have given notice of your intent to move.
3. You owe \$2000 on your credit card and pay 18.5% annual interest. Each month, you pay 1/36th of the outstanding balance or \$20 (whichever is higher). Assuming you make no additional charges, how much will you pay for the purchases and interest when the bill is paid off, and how long it will take to retire the debt?
- About \$2500 over 3 years.
 - About \$3000 over 7 years.
 - About \$4000 over 11 years.
4. You and a business sign a contract. The business says you will receive your copy of the contract by mail within three working days. It is best to:
- Tell the salesperson she must mail your copy within 24 hours under the law.
 - Tell the salesperson she must mail you a notarized copy.
 - Insist on your copy before you leave, even if you will be getting another copy in the mail later.
5. You receive a notice in the mail: Congratulations! You have won a valuable prize . . ." In order to receive your prize, the company

requires you to send a \$10 processing fee. As a North Dakota resident, can you be required to pay such a fee?

- a. Yes, if you choose not to pay, you won't get the prize.
- b. No, in order to receive a prize, you can't be required to pay anything.
- c. Yes, as long as the prize is worth \$100 or more.

6. You bought a new car and drove it home. The next morning, you start having second thoughts. Are you obligated to keep the car?

- a. No, as long as you cancel the contract in writing within 24 hours.
- b. No, you have three business days (72 hours) to cancel any contract.
- c. In most cases, yes. There's no automatic right to cancel a car purchase.

7. The store ran an anniversary sale and clearly posted signs "All Sales Final." When you get home, you notice the zipper in your new dress is broken. The store . . .

- a. Is obligated to repair the zipper, replace the dress or give you a refund.
- b. Is under no obligation to correct the problem because the store policy was clearly stated before you made the purchase.
- c. Is required to correct the problem only if you charged the dress on a credit card.

8. Your kitchen remodeler promises you his workers will haul away all the trash after the job is done, but this is not written into the contract.

Should you ask the remodeler to add this item to the contract?

- a. Yes, it is always best to have promises in writing.
- b. No, as long as he said it verbally, that is good enough.
- c. No, the contractor would think your request is insulting. After all, he did promise to do the clean-up.

Answers:

1. **c.** Rent-to-own customers who ultimately buy the product by making the required rental payments pay much more than the amount it would have cost to buy the item with cash, on layaway, or on an installment plan. Nationally, rent-to-own stores charge an average annual percentage rate of 111%, according to a Maryland research group.

2. **a.** The landlord has no obligation to apply your security deposit to your rent, but the landlord also cannot withhold your security deposit unless you owe rent or damage the apartment.

3. **c.** If possible, pay more than the minimum on your credit card, because paying the minimum means you are paying the maximum interest. In this example, total interest costs double the cost of the original purchase over the life of the loan.

4. **c.** After signing a contract, get a copy before you leave and keep it in case any questions arise later about the terms.

5. **b.** Under North Dakota law, if you are told you have won a prize or are eligible to receive anything of value, you cannot be required to participate in a sales promotion or pay any money to get the prize.

6. **c.** In general, you do not have a cooling off period after you sign a contract. A three-day right to cancel only applies to a few types of transactions — such as door-to-door sales — under state law. But if the car dealer fails to perform an important part of the deal or if the dealer seriously misrepresented the car, you may be entitled to cancel the contract. In such event, you should seek legal advice as to how to proceed.

7. **a.** If an item you buy is defective, the merchant is required to repair the item, replace it, or give a refund, regardless of the store's return policy or how you paid for the item.

8. **a.** Make sure everything is in writing. Never rely on the seller's memory. Honest people can forget things, so put everything in writing.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404 (V/TDD) or toll-free at 1-800-472-2600 (v/TDD).