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Mississippi Kids Count: Financial Literacy Education in Mississippi

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I. Introduction

This report concerns child financial literacy education in Mississippi. Lack of financial literacy can be viewed as a root cause of many of the problems that individuals and families face in Mississippi, particularly in the state's poor and rural areas, including the proliferation of both subprime mortgages and payday lending. As this report discusses, one of the best ways to develop financially literate and capable citizens is to educate children in the basics of personal finance. Individuals that lack basic financial knowledge and skills are at a disadvantage in navigating the modern economy and are vulnerable to being taken advantage of by predatory lending practices.

A number of states have instituted programs aimed at increasing children's financial knowledge and skills. This report examines the programs of three states—Tennessee, Illinois, and Missouri—as models that Mississippi may want to consider emulating. The "Smart Tennessee" program teaches schoolchildren a curriculum on financial literacy, while Illinois' "bank at school" financial capability program aims to give children direct experience with the financial system. Finally, Missouri uses a financial capability program that is similar to Illinois' curriculum but that also adds state-provided savings matches. While several informal financial literacy programs are currently in limited use in Mississippi, if the state institutes a formal, government-sponsored program to educate children on the basics of personal finance, it can lay the groundwork for a more successful and economically secure populace in the future.

II. The Effects of Financial Illiteracy

The Mississippi Economic Policy Center has conducted research on key consumer finance issues in Mississippi, including subprime mortgages, payday loans, and financial self-sufficiency.[1] In addition, the Mississippi Delta Project has conducted independent research on the state of financial services in Mississippi, which includes interviews with key individuals in the state's financial services industry.[2] Taken together, this research allows us to develop some conclusions regarding the need for a formal financial education curriculum in Mississippi as a whole. First, mainstream financial institutions are scarce in poor, rural regions of the state, and residents may view these mainstream institutions with considerable skepticism. Moreover, even mainstream financial institutions like banks, thrifts, and credit unions have engaged in some predatory practices—notably, subprime loans—with which residents are ill-equipped to effectively deal. Second, payday lenders and other predatory financial institutions are highly prevalent in Mississippi, especially the Delta, and their use is often embedded in the local culture. Unfortunately, the unsustainable terms of these loans and their high interest rates often lead to difficulties with repayment and, eventually, to bankruptcy.

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[1] *See generally* Mississippi Economic Policy Center, *Predatory Lending*, http://www.mepconline.org/policy_areas/housing.php (last visited June 25, 2012).

[2] Yaw Asare & Daniel Preysman, *Key findings about financial services in the Mississippi Delta: A report of key findings about the provision of financial services to individuals, households, and small businesses in the Mississippi Delta* (June 2010) (unpublished manuscript) (research conducted for the Institute for Community Based Research and the Delta Directions Consortium).

By contrast, people who are financially literate tend to be more comfortable interacting with the financial system, and may, for example, make greater use of banking and savings accounts.[3] While overall results are somewhat mixed, many studies also associate increased financial literacy with a better understanding of the cost of credit, increased saving, and decreased vulnerability to predatory lending.[4] Financially literate individuals are more capable of choosing transactions that suit their needs and better able to avoid instruments that might not be to their advantage.

A. The Role of Mainstream Financial Institutions

The Delta Project's interviews indicated that lack of financial literacy makes it difficult for residents of impoverished areas to obtain beneficial, non-predatory financial products. Interviewees stated that most Mississippi Delta residents do not regularly interact with mainstream financial institutions and thus do not learn about the importance of maintaining savings and checking accounts. "Ultimately, the absence of bank[s] . . . creates a vicious cycle: individuals rarely interact with banks, so they . . . do not acquire the skills to assess financial products, which in turn creates poor market conditions for banks."[5] The FDIC's survey of "unbanked" households (those that do not have access to a mainstream bank account) and "underbanked" households (those with minimal access to mainstream financial services) demonstrates the severity of the problem in Mississippi: the state has the highest percentage of unbanked households (16.4%)[6] and the second-highest percentage of underbanked households (25.2%, behind Alaska's 25.5%) of all states in the nation.[7]

Interviewees also stated that many Mississippians view saving as a tedious and unexciting task. "Individuals may have a hard time recognizing the benefits of putting away small amounts of money each month, particularly if they are in constant need of the cash."[8] This is especially problematic because of the role that savings plays in both protecting users against irregular cash flow and acting as a form of insurance.[9] The protection against shocks that savings provides can protect families by, for example, "allow[ing] children to remain in school or income-earners to get medical treatment and minimize time away from work."[10] Delta Project interviewees also stated that many individuals in poor regions lack an understanding of how credit scores work and the importance of maintaining good credit.[11]

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[3] *See* Sandra Braunstein and Carolyn Welch, *Financial Literacy: An Overview of Practice, Research, and Policy* 453 (Nov. 2002), *available at* http://www.federalreserve.gov/pubs/bulletin/2002/1102lead.pdf (last visited Jul. 25, 2012).
[4] Richard M. Todd, *Community Dividend: Financial Literacy Education: A Potential Tool for Reducing Predatory Lending?* (Nov. 2002) *available at* http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=2466 (last visited Jul. 25, 2012).
[5] Asare & Preysman, *supra* note 2, at 9.
[6] *Id.* at 21, tbl. 4.1.
[7] Asare & Preysman, *supra* note 2, at 36, tbl. 5.1.
[8] Asare & Preysman, supra note 2, at 14.
[9] *See* Jonathan Morduch & Barbara Haley, *Analysis of the Effects of Microfinance on Poverty Reduction* 3 (NYU Wagner, Working Paper No. 1014, 2002).
[10] *Id.*
[11] Asare & Preysman, *supra* note 2, at 14.

Mainstream financial institutions have themselves sometimes engaged in predatory practices. The most notable example is subprime mortgages, which frequently include complicated payment structures and obligations that purchasers may not understand. A common phenomenon with Hybrid Adjustable-Rate Mortgages (ARMs), for example, is so-called "payment shock," where a homeowner's interest rate increases to an unaffordable level following a period of low initial "teaser" rates.[12] The Mississippi Economic Policy Center has asserted that the rate of "seriously delinquent" subprime ARMs in the state is higher than the rates for both the Mid South region and the United States overall.[13] When faced with foreclosure, the majority of Mississippi homeowners are also unaware of options like loan modification that could enable them to keep their homes while successfully paying off their mortgages.[14] "Research shows that quality education and counseling . . . are the best defense against mortgage delinquency and foreclosure."[15] The dearth of reputable financial institutions in poor regions of Mississippi continues to pose a serious barrier to individual financial well-being and independence.

B. Payday Lending

The absence of mainstream financial institutions is exacerbated by the prevalence of predatory lenders in poor regions of the state. For example, the "principal feature of the financial services industry in the Delta is the dominance of . . . small-dollar lenders," which include payday lenders, pawnbrokers, check cashers, and online credit products.[16] These lenders are characterized by easy approval of credit, small loan amounts, high interest rates, and short repayment schedules. The typical purpose of payday loans, for example, is for the borrower to obtain short-term funds for day-to-day expenses in advance of receiving his or her paycheck. Two-thirds of unbanked households in the FDIC's survey make use of these "alternative financial services."[17] According to Mississippi Economic Policy Center, Mississippi has 1,069 licensed check cashers, or one check casher for every 1,014 households, which is "one of the highest concentrations of payday lenders in the nation."[18] About one-third of Mississippi's 82 counties have a concentration of fewer than 800 households per check casher, the highest concentration in the Mississippi Economic Policy Center's survey.[19]

Delta Project interviewees indicated that the predominance of such lenders has two important features. First, it "creates a culture in which individuals solve their financial problems by relying

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[12] Mississippi Economic Policy Center, *National Crisis Hits Home: Addressing Mississippi's Mortgage Foreclosures* 5 (2008), *available at* http://www.mepconline.com/images/admin/spotedit/attach/4/MEPC_Foreclosure.pdf (last visited Jul. 25, 2012).
[13] *Id.* at 7.
[14] *Id.* at 10.
[15] *Id.* at 11.
[16] Asare & Preysman, *supra* note 2, at 10.
[17] *See generally* FDIC, *FDIC National Survey of Unbanked and Underbanked Households* 12 (2009), *available at* http://www.fdic.gov/householdsurvey/ (last visited Jul. 25, 2012).
[18] Mississippi Economic Policy Center, Mississippi Payday Lending Fact Sheet 1, *available at* http://www.mepconline.com/images/admin/spotedit/attach/4/Payday_Lending_Fact_Sheet_FINAL.pdf (last visited Jul. 25, 2012).
[19] *Id.* at 3. The Delta region of Mississippi is particularly hard-hit, as seven of these counties (Bolivar, Coahoma, Issaquena, Leflore, Sharkey, Sunflower, and Tunica) are part of the eleven "core" counties in the Mississippi Delta region.

on short-term loans, instead of savings or insurance."[20] Second, it "is as much a *symptom* of the financial problems that people face as it is a *cause* of those problems," as "individuals with too little money and too many expenses inevitably find themselves in need of credit" and payday and other high-interest lenders are the most convenient and accessible sources of credit in the region.[21]

Payday loans have extremely high interest rates and unsustainable loan terms, leading families into a "debt trap" in which they are "unable to pay off the first payday loan and must take out multiple payday loans over the course of the year to cover basic expenses."[22] The high fees and short repayment terms make these products unsustainable for many working families, resulting in frequent family bankruptcies and other problems with repayment.[23] "After multiple rollovers, the typical payday loan borrower repays $793 for a $325 loan."[24] Worse, "99% of payday loans are made to repeat borrowers, and 91% of loans are made to borrowers who have had five loans per year or more."[25] Payday lending hurts Mississippi's poorest families and provides them with little chance of escaping the debt that payday lending so often entails.

III. Current Approaches to Financial Literacy in Mississippi

Financially literate individuals tend to be more comfortable interacting with the financial system. This often manifests itself in greater utilization of banking and savings accounts instead of dependence on less reliable alternatives.[26] While overall results are somewhat mixed, many studies also associate increased financial literacy with a better understanding of the cost of credit, increased saving, and decreased vulnerability to predatory lending.[27] Financially literate individuals are more capable of choosing transactions that suit their needs and more able to avoid instruments—like payday loans or subprime mortgages—that might not be to their advantage. One of the most promising ways to improve the financial skills of adults is to improve childhood education in financial literacy and capability.

Several programs currently in use in Mississippi have experienced marginal success in increasing the financial literacy of the state's youth. For example, the Mississippi Financial Literacy Challenge provides online financial literacy curriculum that is designed to both recognize

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[20] Asare & Preysman, *supra* note 2 at 11.
[21] *Id.*
[22] Mississippi Economic Policy Center, *Payday Loan Alternatives and Small Dollar Loans*, *available a*t http://mepconline.com/images/admin/spotedit/attach/0/Payday_Loan_Alternative_Brief_Final.pdf (last visited Jul. 25, 2012); *see generally* Uriah King, Leslie Parrish & Ozlem Tanik, *Financial Quicksand: Payday lending sinks borrowers in debt with $4.2 billion in predatory fees every year*, Center for Responsible Lending (2006), http://www.responsiblelending.org/payday-lending/research-analysis/rr012-Financial_Quicksand-1106.pdf (last visited Jul. 25, 2012).
[23] *Hearing Before the Mississippi House of Representatives Banking and Financial Services Committee, on Payday Lending* (2010) (testimony of Ed Sivak, Hope Enterprise Corporation and Mississippi Economic Policy Center) (transcript available at http://mepconline.com/images/admin/spotedit/attach/0/MEPC_Payday_Testimony.pdf).
[24] Mississippi Economic Policy Center, *supra* note 18.
[25] *Id.* at 5.
[26] Sandra Braunstein and Carolyn Welch, *Financial Literacy: An Overview of Practice, Research, and Policy*, *Federal Reserve Bulletin* (2002): 445-57.
[27] *See* Todd, *supra* note 4.

students demonstrating high levels of financial literacy and reward teachers that emphasize personal finance skills.[28] Teachers are encouraged to assemble and coach teams of students that then have the opportunity to advance to a statewide competition against teams from other schools.[29] Mississippi teachers also have access to the federal "Financial Fitness for Life" curriculum, which provides downloadable, standardized instructional materials for students grades K-12.[30]

However, thus far, state legislation aimed at significantly expanding financial literacy curricula in public schools in Mississippi has been unable to survive both the House and Senate.[31] As a result, the state lacks any unified approach to the subject, and financial literacy programs are still administered by individual schools and/or independent organizations. The Mississippi Council on Economic Education (MCEE), for instance, promotes registration in the Mississippi Stock Market Game and offers training concerning financial literacy education to Mississippi school teachers with the hopes that they will be better equipped to pass the knowledge on to their students.[32] The programs have had some success so far, as students that participate in the program score higher, on average, than control groups who had not participated in MCEE programs.[33]

In addition, three Jackson nonprofits partnered with the Hope Credit Union and other local organizations in 2011 to launch the Mississippi College Savings Account Program pilot initiative, which seeks to promote postsecondary education for low-income and minority students. The two-year pilot program was designed to serve 500 children from six different partner institutions.[34] The program provides a $50 seed deposit for participants when they open a savings account and allows them to earn interest on their balance, and it includes a financial literacy component for both participants and their families. The account balance can only be accessed once the participant is admitted to a postsecondary education program.[35] Though

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[28] Mississippi Council on Economic Education, "Welcome to the Mississippi Financial Literacy Challenge ONLINE," http://www.financechallenge.org/index.html?s=25&l=1 (last visited 25 Jul. 2012).
[29] *See id.*
[30] *See* Allison Matthews, *Grant offers special education teachers "financial fitness" training*, Mississippi State University, http://www.msstate.edu/web/media/detail.php?id=5452 (accessed 25 Jul. 2012) (describing grant allowing special education teachers to participate in FFL training); *see generally* Council for Economic Education, "Financial Fitness for Life," http://fffl.ncee.net/book-introduction.php(accessed 25 Jul. 2012).
[31] *See, e.g.*, S.B. 2133, 2012 Reg. Sess. (Miss. 2012) (would have directed school boards to implement high school financial literacy curriculum); H.B. 490, 2012 Reg. Sess. (Miss. 2012) (same); H.B. 31, 2012 Reg. Sess. (Miss. 2012) (would have expanded financial literacy curriculum to includes grades 9 and 12); S.B. 2831, 2011 Reg. Sess. (Miss. 2011) (omnibus education bill would have created public school financial literacy curriculum); H.B. 577, 2011 Reg. Sess. (Miss. 2011) (would have created public high school financial literacy curriculum); *see also* S.B. 2900, 2012 Reg. Sess. (Miss. 2012) (would have restricted payday lending activities).
[32] Mississippi Council on Economic Education, *MCEE Programs*, *available at* http://www.mscee.org/programs.html (last visited May 21, 2012).
[33] Mississippi Council on Economic Education, *MCEE Annual Report 2009-2010*, *available at* http://www.mscee.org/downloads/Annual%20Report%2010.pdf (last visited May 21, 2012).
[34] *Mississippi College Savings Account Initiative*, Delta State University, http://www.deltastate.edu/pages/3730.asp (last visited May 20, 2012).
[35] *Mississippi Children Save for College with Pilot Program*, Hope Credit Union, http://www.hopecu.org/index.php/news/press-releases/315-mississippi-children-save-for-college-with-pilot-program (last visited July 25, 2012).

quantitative data will be unavailable until the pilot has concluded, early reports highlight encouraging rates of enrollment and enthusiasm among both parents and students.[36]

While programs like these are a much-needed start, larger-scale support is necessary to reach the segments of the population that need financial literacy education the most. Mississippi requires that its high schools offer an economics education course, but it does not require students to take it.[37] Additional formal support for financial literacy education would allow quick integration of a financial literacy curriculum across entire school systems and efficiently pool financial and informational resources. Senator Cochran's (R-MS) support of the federal Financial and Economic Literacy Improvement Act of 2011 will hopefully create momentum for the state's formal support of financial education.[38]

IV. Best Practices from Other States: Potential Policy Solutions

The remainder of this report will examine the approaches taken by three other states – Tennessee, Illinois, and Missouri – in order to recommend how Mississippi could further develop its financial literacy education. These approaches range from simply attempting to integrate elements of financial education into the classroom curriculum to more complex approaches, such as creating school banks with savings matching schemes. These different programs are often roughly divided into "financial literacy" programs and "financial capability" programs. Because each approach has advantages and disadvantages, selection of the program should be largely based on the specific needs of the given community and the resources available to it.

A. Tennessee: Financial literacy education

A prime example of a successful financial literacy program is the "Smart Tennessee" program. To date, about 85,000 students have participated in program in over 50 middle and elementary schools.[39] Participating schools are provided a CD-ROM that includes all program materials and a $500 stipend to defray costs associated with the program; the program also incorporates the "Financial Fitness for Life" curriculum developed by the National Council on Economic Education (NCEE). While Mississippi educators currently have access to the "Financial Fitness for Life" curriculum, as noted above, Tennessee's approach increases the salience of financial literacy curriculum by actively integrating financial education into reading, math, English and social studies. Lesson plans are activity-based and center on themes that include the value of

[36] *See Mississippi College Savings Account Initiative*, Delta State University Center for Community and Economic Development, http://www.deltastate.edu/pages/3730.asp (last visited August 1, 2012).
[37] "Survey of the States 2011: The State of Economic and Personal Finance Education in Our Nation's Schools." *Council for Economic Education* (Mar. 2012), *available at* http://www.councilforeconed.org/wp/wp-content/uploads/2011/11/2011-Survey-of-the-States.pdf.
[38] *See* Financial and Economic Literacy Improvement Act of 2011, S. 865, 112th Cong. (2011) (read twice and referred to Committee on Health, Education, Labor, and Pensions) (co-sponsored by Sen. Cochran).
[39] Julie Heath, Smart Tennessee: Summary of Accomplishments (Years 1-4), 2011. Raw data.

education, benefits of savings, money management and credit.[40] The activity-based nature of lesson plans ensures that students are actively learning the importance of financial decision-making. In addition, the program includes a parental education component that allows teachers to send home materials that encourage family-based financial education.[41] The success of the program is measured by the difference between the results of a pre-curriculum and post-curriculum exam.[42]

After 4 years, the percentage of students reaching a 70% benchmark grew significantly. The percentage of elementary students reaching this score increased from 7.6% to 46.4%, while the percentage of middle school students increased from 4.9% to 44.0%.[43] In addition, elementary school students increased their pre-curriculum test scores by an average of 47%; the figure was 40% for middle school students.[44] The program's leaders hope that the increase in test scores will help decrease credit card debt, increase savings, promote preparation for retirement, and increase the wealth in student populations that might otherwise be especially vulnerable.[45] As the program has only been in place a short time, there is currently no data on long-term outcomes. Teacher response data, however, has consistently shown that close to 100% of teachers feel the financial literacy program is beneficial to their students.[46] One teacher commented, "[m]y students enjoyed the program, and it was very enlightening to them. I do believe they will remember and follow many of the things they learned."[47]

B. Illinois: Financial capability programs

Financial capability programs focus actively involving students in the financial system instead of simply preparing them for an exam. Multiple Illinois schools have experimented with "bank at school" programs that introduce students to banking at a very young age. In these programs, schools partner with local banks and credit unions to set up accounts for students; these accounts require a deposit as small as $1 to open, and pay interest to students on the balance.[48] Teachers combine the savings accounts with a financial education curriculum, and representatives from local financial institutions come to the school periodically to collect deposits.[49] The "bank at school" program improves upon the financial literacy model by both

[40] "Smart Tennessee: Information for Schools." *Smart Tennessee: Home*, http://www.smarttn.org/schoolinfo.asp (last visited Jan. 23, 2012).
[41] "Smart Tennessee: What Curriculum Is Being Used?" *Smart Tennessee: Home*. Smart Tennessee, http://www.smarttn.org/curriculum.asp (last visited May 13 2012).
[42] "Smart Tennessee: What Others Are Saying." *Summary of Evaluation Results*, http://www.smarttn.org/feedbacks.asp (last visited May 13, 2012).
[43] Heath, *supra* note 39.
[44] *Id.*
[45] "Smart Tennessee: Why Financial Literacy?" *Smart Tennessee*, http://www.smarttn.org/why.asp (last visited May 13, 2012).
[46] Heath, *supra* note 39.
[47] "Smart Tennessee: Information for Schools." *Smart Tennessee: Home*, http://www.smarttn.org/schoolinfo.asp (last visited Jan. 23, 2012).
[48] Elizabeth Johnson and Margaret Sherraden. "From Financial Literacy to Financial Capability Among Youth." *Journal of Sociology & Social Welfare* 34.3 (2007): 119-46. *HeinOnline*.
[49] *Id.*

instilling the value of saving in students and simultaneously building familiarity with the financial system.[50]

Thus, "bank at school" programs might have a better chance of impacting students than programs that depend solely on financial literacy education. Another major benefit of the program is that administering it through the school system makes it nearly universally available to youth of the community, ensuring that a large number will receive at least some financial instruction and access to a savings account. The lack of financial support by the school, however, still may limit the impact on poor students; "bank at school" accounts are not mandatory and must be opened with the student's own funds. As poor students and their families often have little money to save, their interactions with the savings institution may end up being extremely limited. Under these circumstances, therefore, the bank at school program may actually offer little real benefit relative to a simple financial literacy program.

C. Missouri: Financial capability with savings matches

A second version of financial capability program adds to the concept of youth savings programs by including matching savings contributions and parental components. The "I Can Save" (ICS*)* pilot program combined after-school financial instruction with savings and incentives programs for students and parents. The pilot took place at urban schools where the student population was majority (90%) African-American and about half the students qualified for free or reduced lunches.[51] Students who opened savings accounts received a $500 seed deposit and matching contributions for the money they saved, plus small amounts of money earned by participating in program activities.[52]

The program curriculum was also based on the national "Financial Fitness for Life" curriculum, similar to the Smart Tennessee program. Integration of financial education into the classroom curriculum was combined with optional participation in an after school ICS club that included activities like field trips to the bank and games. In addition, the program encouraged parental participation by contributing to the student's savings account each time a parent attended a financial education workshop. After 30 months, 74 of 75 students had opened an account with the program, and they saved a total of over $73,000.[53] In financial literacy testing, ICS participants scored, on average, over 10 percentage points higher than a control group that had not participated in the curriculum.[54] Interviews with ICS students also revealed that the children had acquired a more detailed understanding of financial instruments and had made the connection between financial education and the skills necessary to be a financially organized adult. As one fourth-grader described the program, "[Our teacher] teaches about saving accounts, deposits, withdraw, money, budget. She teaches us all about what you're

[50] *Id.*
[51] *Id.*
[52] *Id.*
[53] *Id.*
[54] *Id.*

gonna need when you grow up."[55] This description demonstrates that the program not only imparts key financial concepts but also fosters a connection between these concepts and their practical function.

IV. CONCLUSION

Table 1: Pros and Cons of Financial Education Programs

	Financial Literacy	Financial Capability
Pros	• Low funding requirements • Easy to integrate into existing curriculum	• Gives students direct experience and practice with the financial system
Cons	• Requires adequate teacher training/competence in financial concepts • May fail to connect classroom concepts to real-world application	• May be difficult to get matching funding from school systems or banks for programs with contributions. • May be less effective for poor students as they have little money to put into the financial system.

Lack of financial literacy is undoubtedly a serious problem in the state of Mississippi, and as the modern financial system grows more and more complex, Mississippi runs the risk of falling even further behind. People that lack financial education are at a greater risk of falling victim to predatory lending, using payday lending services that charge high interest rates, and generally having their finances fall into disarray.[56]

There are advantages and disadvantages to both the financial literacy and financial capability approaches to financial education. Financial literacy programs can often be established with a relatively low funding commitment, and the curriculum can be easily integrated into core subjects or after school activities. Because these programs have such low start-up costs, they can be used to introduce even young children to responsible financial thinking. However, an effective program also requires that the teachers be comfortable with financial concepts, and these programs will fail to reach their potential unless teachers are first trained to effectively illustrate financial concepts to their students. In addition, financial literacy programs are vulnerable to criticism on the grounds that they teach only abstract concepts and fail to provide opportunities for direct participation in financial systems.

Financial capability programs fill this shortcoming of financial literacy programs by explicitly providing for student participation in the financial system. In addition, as demonstrated by the parental component offered in conjunction with Missouri's "I Can Save" program, a financial capability curriculum may help mitigate the immediate threats that predatory and payday lending pose to families. One disadvantage of these programs, however, is that they often

[55] *Id.*
[56] Cohen, Monique and Jennefer Sebstad (2003): Financial Education for the Poor, Microfinance Opportunities, Working Paper No. 1.

require significant start-up funding; thus, participation in extremely low-income areas may be somewhat limited. Children from poor families often have little money available for savings and their parents often have little to contribute. This problem can be somewhat mitigated if schools are successful in securing funding for matching programs that contribute to student savings accounts for completion of program activities, good academic performance, or other incentives.

The decision on whether a financial literacy or financial capability approach should be used will depend on available resources, the goals of the program, and the needs of the relevant community. However, it is important that state legislators act to implement some sort of financial education in schools. This curriculum should begin in early grade levels so that older students already have an effective grasp of these important concepts when they and their families consider, for example, buying a house or taking out a payday loan. And while enhanced financial literacy curriculum in schools is important to break the cycle of abusive lending practices, state legislators must also act to protect Mississippians from the immediate dangers that financial illiteracy poses. Policymakers should re-prioritize legislation that will restrict the activities of payday lenders and financial institutions that issue subprime mortgages.

Finally, we encourage policymakers that remain cautious about appropriating funds to the development of a state financial literacy curriculum to consider the intangible benefits that such a program may provide. Enhancing financial literacy has the potential to broaden students' horizons and encourage them to set lofty goals in their personal and professional lives. For instance, when interviewed, participating students in the ICS program were able to connect their newfound financial literacy to "growing up", "saving up for college", and "learning about different kinds of jobs."[57] Simple financial education may be part of a solution to many of the public policy problems that Mississippi faces.

[57] *See* Johnson and Sherradan, *supra* note 48.