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Remarks by

**Ben S. Bernanke**

Member

Board of Governors of the Federal Reserve System

to the

JumpStart Coalition for Personal Financial Literacy  
and  
Federal Reserve Board  
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Good morning and welcome to the Board Room. A little more than two weeks ago, the Federal Open Market Committee gathered at this table and debated the future course of monetary policy. Its statement afterward was transmitted instantly around the globe to millions of people. Journalists, investors and others, understandably, thought of the topics discussed around this table on that day as important. I wouldn't contradict that assumption, but there is a sense in which our topic today--the financial education of our young people--is even more important. Our economy can become ever more prosperous and our financial system ever more sophisticated, but if our young people lack the knowledge with which to make wise choices--for their present and their future--they will not be able to share in the benefits of the advancing economy and financial system.

I say this not only from the perspective of a Federal Reserve policymaker, but as a former economics professor, a former member of the Montgomery Township, New Jersey, school board, and, most importantly, as the current parent of two young adults. And, I know many others join me in the conviction that financial education is crucial. This month has been designated by the Senate as Financial Literacy Month. Before I continue, I want to acknowledge the presence here today of Representative Judy Biggert of Illinois, one of the Congress's leading financial education advocates.

The Federal Reserve is involved with financial education on many fronts. Allow me to mention just a few of our "products" and "services." Reserve Banks around the country conduct workshops for teachers. The Board joined with the Federal Reserve Bank of Richmond last summer in sponsoring one here, "Teaching Teens About Money." We also seek to provide information to adults. By now, I hope many of you have seen our public service announcement, launched last year. The theme is "There's a Lot to

Learn About Money” and it stars Chairman Greenspan. Look for our “There’s a Lot to Learn About Money” pamphlet, in English and Spanish, on the Federal Reserve education web site ([www.FederalReserveEducation.org](http://www.FederalReserveEducation.org)). It’s filled with tips for taking charge of your personal finances.

Finally, research is an important component of financial education. If we are to succeed in spreading financial knowledge, educators and others must empirically analyze knowledge gaps and the results of their efforts to fill them. Fortunately, this body of research is growing. To track it, the Federal Reserve Bank of Chicago’s Consumer and Economic Development Research and Information Center (CEDRIC) has created an online repository for financial education and literacy research ([www.chicagofed.org/cedric/financial\\_education\\_research\\_center.cfm](http://www.chicagofed.org/cedric/financial_education_research_center.cfm)).

The survey assessing high school students’ financial knowledge that the Jump\$tart Coalition for Personal Financial Literacy is releasing today is a very useful contribution to that research. Let me now turn to Dara Duguay, the coalition’s executive director, to give you a status report on the financial literacy movement in this country.