

Wisconsin Facts

Wisconsin's Financial Capability¹

Living paycheck-to-paycheck - 53% of Wisconsin residents spend equal to or more than their income

“Rainy day fund” - 46% of residents do not have emergency money of three months of income

Medical debt – 23% of state residents have overdue medical bills up from 21% in 2015

Borrowing - 23% 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

Financial literacy - On a test of 5 questions, 60% of residents were unable to answer more than 3 questions correctly

USA's Financial Literacy Rank Internationally²

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 capability³ 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 course⁴ 30% 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.⁵ Student credit scores are 8 to 17 points higher by age 22.⁶

Teachers⁷ 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 (20%) believe they are adequately prepared to teach personal finance topics.

Academic and Career Readiness⁸ 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. 32K).

Financial Literacy in the Work Place⁹

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

¹ Financial Capability Study, FINRA, July 2018. The State-by-State survey was conducted online from June through October 2018 among a nationally-representative sample of 27,091 American Adults, reaching approximately 500 individuals per state, plus the District of Columbia.

² 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>

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

⁴ Wisconsin Department of Financial Institutions school district survey 2017.

⁵ Lusardi, Annamaria, National Bureau of Economic Research, www.nber.org/reporter/2009number2/lusardi.html, 2009

⁶ 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.

⁷ National Endowment for Financial Education. March 2009, Holden and Way.

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

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