

Trevor A. Dawes

Libraries, ACRL, and financial literacy

Helping students make sound decisions

In this column, the first of my presidential year, I will highlight one of the areas on which I plan to focus this year and hope you will agree that it is an important topic for ACRL, libraries, and librarians.

There has been great emphasis placed in the past several years on the cost—and value—of higher education. In addition to the focus on the cost of textbooks and other nontuition expenses, lawmakers have also focused on the dramatic rise in student loan debt,¹ especially as student loan debt, in 2010, surpassed credit card debt in the United States.²

The Higher Education Opportunity Act of 2008 included several requirements for colleges and universities. Among these was the mandate to have a “net price calculator” to help students determine the actual cost of college. Colleges were also required to provide reading lists of required texts in advance of classes to provide students the opportunity to shop for competitive prices.³

As academic librarians, we should be concerned about this focus on the cost of higher education. Being embedded in the academic culture gives us a unique opportunity to provide access to the information, resources, education, and tools that our community members need to make good financial decisions in our increasingly complex global financial ecosystem.

These college affordability efforts, while worthwhile, do not help our students or other community members manage their total finances, however. Paying for college is but one aspect of managing personal finance.

Education programs to help become better financial stewards have been in place for a while, but they have been gaining more prominence in recent years.

The Financial Literacy and Education Commission is a national group that “was established under the Fair and Accurate Credit Transactions Act of 2003. The commission was tasked to develop a national financial education Web site along with a hotline and a national strategy on financial education.”⁴ And so, too, were born many financial literacy initiatives.

What is financial literacy?

Financial literacy can be described as the ability to make informed judgments and to take effective actions regarding the current and future use and management of money. It includes the ability to understand financial choices, plan for the future, spend wisely, and manage the challenges associated with life events such as a job loss, saving for retirement, or paying for a child’s education.”⁵

In addition to the work of the Financial Literacy and Education Commission, several branches of the Federal Reserve Banking System have begun to implement financial literacy education programs, and some col-

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leges and universities are emphasizing personal finance courses aimed at meeting these specific educational goals.

ALA activities

It is not only in colleges and universities that financial literacy education programs have taken place. Since 2011, ALA has been partnering with the Federal Reserve Bank of Chicago in an expansion of Money Smart Week activities. During Money Smart Week (usually in April each year) libraries are invited to participate in a host of educational activities. Participation is often coordinated at a state level although this is not always the case. In 2013 libraries in 47 states participated.⁶

The Reference and User Services Association (RUSA) has also partnered with the FINRA Investor Education Foundation to develop “Smart Investing @ Your Library.” This program “addresses the growing need for unbiased financial and investor education at the grassroots level.”⁷ Since 2007, the collaboration has made available hundreds of thousands of dollars to libraries to develop financial education programs. Many of these programs have been in partnership with a nonlibrary organization.

ACRL and financial literacy

So what will we do this year in ACRL? The ACRL President’s Program at the 2014 ALA Annual Conference will feature a national financial advice columnist and a university president in conversation about finances and higher education. In addition, we will host a forum at the 2014 ALA Midwinter Meeting to hear about a student-led financial management nonprofit organization and from academic librarians who have been involved in developing financial literacy education programs on their campuses.

I will be inviting some colleagues to write guest columns in *C&RL News* on related topics. I have also had some conversations with the director of ALA’s Chapter Relations Office (who coordinates Money Smart Week activities) and the current president of RUSA to determine how we can align our various

efforts going forward. The work we have to do in developing and implementing these education programs cannot be done in isolation. We need to work with various partners on our campuses and in other libraries.

I am certainly looking forward to hearing about the programs that have already been successful and learning from all of you about how we can develop a more financially informed citizenry.

Notes

1. Doug Lederman, “House, Focusing on Cost, Approves Higher Education Act,” *Inside Higher Ed.*, February 08, 2008, www.insidehighered.com/news/2008/02/08/hea#ixzz2dc3K2hOb (accessed August 23, 2013).

2. “Student-Loan Debt Surpasses Credit Cards,” *The Wall Street Journal*, August 9, 2010, <http://blogs.wsj.com/economics/2010/08/09/student-loan-debt-surpasses-credit-cards/> (accessed August 24, 2013).

3. U.S. Department of Education, Higher Education Opportunity Act-2008, U.S. Department of Education, www2.ed.gov/policy/highered/leg/hea08/index.html (accessed August 23, 2013).

4. U.S. Department of the Treasury, Financial Literacy and Education Commission, www.treasury.gov/resource-center/financial-education/Pages/commission-index.aspx (accessed August 24, 2013).

5. Financial Literacy and Education Commission, “Progress Made in Fostering Partnerships, but National Strategy Remains Largely Descriptive Rather Than Strategic,” United States Government Accountability Office-Testimony Before the Subcommittee on Oversight of Government Management, April 29, 2009, www.gao.gov/assets/130/122383.pdf (accessed August 17, 2013).

6. Money Smart Week, ALA 2013, www.ala.org/offices/money-smart-week (accessed August 23, 2013).

7. Smart Investing @ Your Library, ALA and FINRA Investor Education Foundation, 2013, <http://smartinvesting.ala.org/> (accessed August 24, 2013). *✍*