

H&R Block commits \$1 million for high school financial education program

Written by staff reporter Dan Margolies

Just how pervasive financial illiteracy is in the United States is underscored by these gloomy statistics:

While most parents say it's important to discuss personal finance with their teenagers, more than three-quarters flunked when tested on their own knowledge of personal financial management, according to a survey by the University of Kansas.

And in another survey, more than half of high school seniors flunked when their overall financial literacy was put to the test.

Now H&R Block Inc. hopes to improve those grades with a new program it's rolling out to improve teens' "financial fitness."

The tax preparation company is distributing more than \$1 million to subsidize high school personal-finance programs featuring interactive computer exercises, online training videos, written course materials and lesson plans. So far, more than 2,000 high schools nationwide have signed up to participate.

"H&R Block sees millions of clients every year and after we see these clients we realize — and studies have shown — that people don't understand what it means to be financially fit," said Amy McAnarney, executive director of The Tax Institute at H&R Block, which researches and analyzes tax laws and is overseeing the program.

"As with anything, it starts with the youth. So we're thinking teenagers would be a great place to start and to educate and get them informed about being financially fit."

Although the focus is on teenagers, parents will also get help. Block has designed a **Web site**, with pointers on talking to teens about financial matters.

"It's hard for parents to talk about sex and drugs," McAnarney said. "But we're finding that even financial conversations can be tough. OK, here's your allowance, but how does that translate into real-life conversation?"

The computer-based lessons for teens were developed by Knowledge Matters, a maker of simulation-based educational software. The software simulates real-life situations such as looking for an apartment, finding a job, opening a bank account or buying groceries.

Each of its 18 lessons focuses on a discrete financial concept — from fixing credit and buying a car to understanding insurance and investing for retirement.

The idea is to allow teens to make real-life decisions without suffering adverse real-world consequences when they make a mistake.

In addition to the grants, Block will offer scholarships to students competing in an annual financial literacy competition. It has also partnered with Brad Klontz, a financial psychologist and co-founder of Your Mental Wealth, who will offer online financial advice.

Although H&R Block stands to benefit from a more financially savvy public, McAnarney said the company launched the program not out of self-interest but "because we see this as a sweeping issue."

"We said, 'Let's focus our dollars on a place that makes sense.' This isn't a way to generate revenues but to focus on the community."

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Submitted by Steve Rosen on October 12, 2009 - 3:02pm.
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