

U.S. TREASURY DEPARTMENT

OFFICE OF PUBLIC AFFAIRS

FOR IMMEDIATE RELEASE: March 7, 2011

CONTACT: Treasury Public Affairs, (202) 622-2960

Obama Administration Announces Start of Student Exam Window for 2011 National Financial Capability Challenge

Challenge Prepares Students for Secure Financial Futures; Runs March 7 – April 8

WASHINGTON – Today, high school-aged students across the country will begin taking a voluntary online exam as part of the 2011 National Financial Capability Challenge. The Challenge is designed to enhance the financial capability of high school-aged youth across the United States by strengthening their knowledge of the basics of saving, budgeting, and investing.

"All of us - parents, educators, policymakers and students - share the responsibility to ensure that young people in our country learn a set of practical skills that will help them navigate important personal financial decisions," said Treasury Secretary Tim Geithner. "This Challenge will help students understand basic finance. It will help them understand what it means to save for retirement. And it will help them understand the risks and benefits associated with debt from things like car loans and credit cards. Empowering students with this knowledge is important for the long-term strength of our economy."

"Our goal is for every student in the nation to get a world class, well-rounded education," said Education Secretary Arne Duncan, "and that includes preparing them to make critical financial decisions. I hope the Challenge not only helps high school students get smart about money, but encourages more states and schools to make financial education a priority in classrooms as early as kindergarten."

The voluntary online exam will be available to students today through April 8. Last month, the Department of the Treasury posted an Educator Toolkit on Challenge.Treas.gov to help teachers prepare students for the exam. From saving for college and retirement to managing expenses like cell phones, the exam tests a wide array of topics that together constitute a basic understanding of personal finance.

All high school teachers and other educators working with U.S. high-school aged students (ages 13-19) are encouraged to register for the Challenge, download the Educator Toolkit, prepare their students, and administer the online exam.

Later this spring, a group of the highest scoring students will be recognized through a national awards ceremony in Washington, DC. The educators and students who place in the top 20 percent nationwide will receive official award certificates.

Some examples of the types of questions students will answer during the exam are as follows:

1. Carolina has \$5,000 saved from working at different jobs. She puts her money in a savings account that pays 4 percent per year in interest. How much money will be in her account at the end of the first year and at the end of the second year?
 - A. End of first year: \$5,100; end of second year: \$5,400.
 - B. End of first year: \$5,200; end of second year: \$5,400.
 - C. End of first year: \$5,200; end of second year: \$5,408.
 - D. I don't know.

(Answer: C)

2. Marco went to the grocery store to buy a box of cereal. The type of cereal he liked came in three different brands and three different size boxes. To select the brand and the box with the lowest unit cost, he should look at the:
 - A. largest cereal box on the shelf.
 - B. most popular brand of cereal.
 - C. price per ounce of cereal in each box.
 - D. I don't know.

(Answer: C)

More than 76,000 students and 2,500 educators from more than 1,500 schools in all 50 states participated in the 2010 Challenge. To learn more about the Challenge or to register for this year, educators should visit Challenge.Treas.gov.