

Topic: Should Schools Teach Financial Literacy?

Good afternoon. The motion is that schools should teach financial literacy as a required subject. I oppose the motion, and I want to explain why I think the case for it, while well-intentioned, is mistaken.

I will start by agreeing with the motivation. Young adults in this country leave school with a poor understanding of credit, debt, taxes, and saving. The consequences are real: families in financial trouble, students taking on loans they cannot afford, and retirement accounts left empty. The problem is real. What is wrong with the proposed solution?

The first problem is that adding financial literacy means removing something else. The school day is not infinite. Every hour given to a new subject is taken from an existing one. The motion assumes financial literacy is more important than the hour of mathematics, English, or science it would replace, and that case has not been made. If the goal is to give students tools for financial decisions, more mathematics is more useful than less mathematics combined with a survey course on credit cards.

The second problem is that financial literacy taught in school does not stick. The studies on this are clear and they are uncomfortable for the case in favour. A meta analysis published by the Federal Reserve in 2019 looked at twenty years of school based financial education programmes and found almost no measurable effect on adult financial behaviour. The students who took the courses made the same mistakes as the students who did not. Financial knowledge, it turns out, is learned through use, not through lectures.

The third problem is that the case for financial literacy in schools assumes the problem is education. It is not. The problem is a financial system designed to be confusing, with products built to extract value from people who do not read the fine print. Teaching students to read the fine print does not solve the underlying problem. Regulating the products does. We are sending children to fight a system when we could fix the system instead.

For these reasons, schools should not teach financial literacy as a required subject. Better mathematics, better consumer protection, and adult financial counselling at the moments people actually need it are more effective uses of resources. Thank you.