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Lyons Aids National Research Agenda on Financial Literacy

URBANA, IL – Angela Lyons, an associate professor in the University of Illinois Department of Agricultural and Consumer Economics and Director, U of I Center for Economic and Financial Education, was one of 29 experts helping set research priorities to improve economic and financial literacy in the United States.

The effort was launched by the U.S. Department of the Treasury in cooperation with the USDA. In October, the experts met in Washington for a two-day National Research Symposium on Financial Literacy and Education. Participants included academics from public and private universities and scholars and administrators from non-profit organizations and the Federal Reserve Board.

"Our goal was to set academic research priorities that could aid financial education, relevant public policy, and effective practices leading to personal and family financial security," said Lyons.

"These research priorities have particular relevance given the current economic crisis."

Lyons outlined the 10 priorities identified by the group:

--What are core principles of personal finance that every consumer needs to know and what financial education standards are effective in helping people gain that knowledge?

--What are reliable and valid measures of success for financial education?

--What is the most effective mix of financial education, regulation, and policy that will protect consumers financially and help them better navigate today's complex financial marketplace?

--How do some factors, including conflicting messages, influence and affect household financial behavior?

--How do the processes by which consumers learn how to manage their money vary by gender, life-cycle stage, race/ethnicity, class, and education?

--How do financial education, the learned money managing processes, and psychological factors interact, and how does this interaction affect financial well-being?

--How do people perceive and manage risk, and what are their financial risk tolerances and capacities?

--How do economic shocks alter risk exposure and risk management choices at both the individual and household level?

--What are effective coping strategies and behaviors during times of financial crisis?

--How do relevant theories of financial behaviors and attitudes apply to various subgroups and how can these theories be used to explain and predict current and future financial behavior and well-being?

For the complete report, go to the U.S. Department of Treasury's Office of Financial Education's website (<http://www.treasury.gov/ofe>).

The research symposium was one of the calls to action developed by the Financial Literacy and Education Commission. Congress established the Commission in 2003 through passage of the Financial Literacy and Education Improvement Act under Title V of the Fair and Accurate Credit Transactions (FACT) Act of 2003. The Commission is comprised of 20 government agencies and chaired by the Secretary of the Treasury.

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