Teaching
FINANCIAL LITERACY

CSUEB’s Financial Literacy Center changes people’s lives through classes and community outreach

BY TODD PREPSKY

It’s a story that has become all too common. Joe graduates high school. The ink is barely dry on his diploma and the credit applications start filling the mailbox. Even before the proud graduate settles into his college dorm room, he may already be speeding toward the limit on his new credit card. The costs of going to college can be exorbitant—tuition, books, meal plans, lab fees, dorm fees. It can always be paid back later, right? In failing to read the fine print, Joe doesn’t realize that his interest rate is 25 percent, and that making the minimum payment has trapped him in an endless loop of debt.

It’s not just college students that fall prey to the lure of the credit card. According to the credit agency Experian, as of the first quarter of 2015, the average credit card balance per consumer was $5,779. However, consumers with low credit scores owed considerably more, with an average debt of $5,965. That’s a scary fact, but here’s a scarier one: With a $5,000 balance, a $125 monthly payment, and a 25 percent annual percentage rate (APR), the debt would take more than seven years and $5,800 in interest to repay. The old saying about casinos—“The house always wins”—is also true of credit card companies.

And credit card debt is just one facet of the many financial challenges Americans face today. Managing student loans, maintaining a realistic budget, getting home and car loans, saving and investing for college and retirement—all the list goes on.
We're partnering with Hayward Promise Neighborhood to bring the program to six schools in the spring — two high schools, two middle schools, and two elementary. East Bay students have been helping to develop the games we'll be using to teach basic financial concepts.

Lettie Ramirez
PROFESSOR, TEACHER EDUCATION

The CSUEB students also benefited from the interactive learning experience, with implications beyond fiscal responsibility. One participant said, "This experience really confirmed my idea of becoming a probation officer ... I learned that I would like to do volunteer work with teenagers in their communities. I learned how to open up with people."

Mr. Eden students are not the only ones benefiting from the Financial Literacy Center. As part of the Wells Fargo grant, Lettie Ramirez, professor of teacher education, recently began a course for women who wanted to learn more about investment rates. "Some of them had lost their homes because they were given wrong information when they applied for loans and they wanted to avoid that in the future," Ramirez said. "We started developing a workshop. The whole class was composed of women so it was geared toward them. We're getting ready to do a presentation for men in January. Men make a lot of big purchases and sometimes don't understand the interest rates they're being charged."

Learning by Teaching: Lecturer David Murray empowers students with budget basics, and oversees their mentoring of Mr. Eden high school students.

We were amazed at how good the Cal State students were at mentoring ... they coached the students to discover the answers for themselves, and they were patient and professional.

David Murray
LECTURER, DEPARTMENT OF ACCOUNTING AND FINANCE
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