



## **Students, Economic “Fiaster” and....**

The current economy has spawned a “fiaster” (fiasco and disaster) in many students' lives. Some students barely subsist. Others struggle to make ends meet. Though newsworthy, this is not news. Rather, it appears to be a long-term and punishing reality. One could easily argue that these students are innocent victims of history in the making.

### **Money Management**

More than ever, it is critical to teach students sound money management skills so that they might ultimately develop continuing and progressive respect for the relationship between responsibility and money. Groundwork must be completed to this end.

Students must review, assess, and compare what they perceive as their needs and their wants. Though such an exercise may be painfully difficult, candor steeped in reality is critical to making a clear distinction between the two.

### **Finances and Fees**

Equally important is the need for students to understand the “significa” of finances. Its contextually and socially relevant components revolve around credit offers, credit cards and balances, credit scores, the Credit Card Protection Act, identity protection, as well as loans, bankruptcy, legislative bills, and laws. Fees are mired in all of this. An abridged list of fees charged by a local bank is subsequently provided for students' consideration.

### **Images, Aspirations and Soft Skills**

Tangled in this maze of money issues is the image students may seek to portray. Do their self-scripted images and aspirations dwarf, compromise, or negate reality? Lifestyles, goals, and objectives play pivotal roles in students' senses of reality. Thus, soft skills—nontechnical skills that students must possess to succeed in the workforce—must be woven into the fabric of their individual life dramas/experiences, in aggregate. They include, but are not limited to, attitude, judgment, decision making, and critical thinking. These abilities readily apply to students' development of sound money management skills. These components massage the heart of their financial literacy and keep it functioning. They are the precursors to Budget 101.

## Budget 101

The American Bankers Association (Washington, DC) has developed a [Monthly Budget Form](#) to assist students in becoming realistic and manageable consumers. Eventually, they learn to monitor their spending habits and make requisite adjustments. They begin to understand the difference between discount stores versus high-end merchants and vendors. They learn that buying in bulk is often more advantageous than purchasing items in lower volume. They learn to use coupons and may even combine them with sales. The operative word here is *learn*.

Students learn the value of saving money and make measured progress in this endeavor, sometimes through trying life lessons. Saving more may require them to spend less. Though this concept does not defy common logic and is not *cutting-edge*, it may be a new one for some students to grasp and eventually master.

Ultimately, students learn to keep their fingers on the pulse of their obligations when earning, saving, and spending money. They learn to exercise restraint and practice safe and sound money-management strategies. Along the way, they may even learn to treasure the value of a solid work ethic that will help them negotiate the “tunnels” of sacrifice, perseverance, perspiration, and inspiration. They become responsible consumers. An added bonus is that some students may learn that their *money-making* potential is exponential!

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