

Opinion-Guest writer

# WARREN A. STEPHENS: A beacon of hope

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## State's economics education key

By Warren A. Stephens Special to the Democrat-Gazette  
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In many ways, Arkansas is poised to be a leader in financial education. Unlike many states, Arkansas requires high school students to take classes in both economics and personal finance. The University of Arkansas business school has an 88 percent placement rate for graduating students, who are recruited by highly competitive companies from all over the country.

Still, data from Economics Arkansas ranks our state No. 4 in the country in financial illiteracy.

Improving that ranking is a goal shared by many in both the public and private sectors. Arkansas is not alone in needing to boost the quality of financial education we are giving our students. An assessment of student financial literacy from the Paris-based Organisation for Economic Co-operation and Development (OECD) showed that 22 percent of American students failed to meet the baseline of financial literacy. Only one in 10 U.S. students earned a top ranking for financial literacy.

These statistics reveal much about the education system in this country. Just 22 states require that high school students take an economics course prior to graduation, while 17 states require that high school students take a personal finance class.

Clearly, there is more that can--and must--be done, both here in our state and in the rest of the country.

Ongoing contextual education is essential for developing a work force that will allow our students to succeed and our businesses to remain competitive. The benefits of education in economics and personal finance range from a better understanding of the national and global economy to having less personal debt and being more inclined to save for retirement and emergencies.

But gaps in education persist. Even when economics and personal finance courses are required, schools, both public and private, are challenged by limited resources. Teachers are often not equipped with the right tools and may themselves have had limited exposure to the tenets of our free enterprise system. These are contributing factors in our country's overall failure to educate students in these critical subjects.

Economics Arkansas has been diligent in building the much-needed infrastructure to teach young people basic economic theory and financial literacy through a solution-oriented approach that provides educators with invaluable tools and training. This is why we at Stephens have partnered with Economics Arkansas to create a statewide educational program on free enterprise for pre-K

through grade 12. "This is Capitalism," an informational multimedia series that we launched in 2017, will serve as a key component of our partnership with Economics Arkansas.

I ask that fellow leaders in the business community play their part as well, whether in providing direct financial support, offering educational programs, or partnering with key stakeholders. The financial literacy of the next generation is--or should be--a concern to all businesses, not just those in financial services. People knowledgeable about the basic principles of capitalism and armed with an understanding of how to access capital and harness it will be better positioned to participate in the free market system.

Finally, we must recognize that education is essential because young people need to understand the direct connection between capitalism and personal freedom.

Only in a free market democracy are individuals allowed to make their own decisions and choices. With education, people are empowered to make informed decisions and choices. Schools can't teach personal responsibility, but they can help students understand the implications of having the opportunity to shape their own futures while contributing to the greater good.

Seizing opportunity, applying new thinking, and working until the market confirms your solution are essential elements of capitalism. I hope that Arkansas, by showing the power of education and the effectiveness of public and private partnership, can serve as a replicable example for solving a problem that plagues our entire country.

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*Warren A. Stephens is chairman, president and CEO of Stephens Inc. in Little Rock. "This is Capitalism" is an educational collection of stories about extraordinary individuals and their achievements utilizing the great American system of capitalism.*

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