



Massachusetts Needs Financial Literacy Education Legislation Now: S. 2374

For several years Massachusetts public school students have led the nation in standardized tests and other key quality assessments. We are proud of our student accomplishments and the teachers, administrators, parents and community support that are so vital to achieving and maintaining this success.

Our emphasis on academics and STEAM (science, technology, engineering, arts & math) must remain a top priority. But grossly lacking in many of our public school curricula is the teaching of basic life skills. For example, ***Massachusetts students are lagging behind much of the nation in one critical area: basic financial education.*** The [2017 Financial Report Card](#) issued by Champlain College's Center for Financial Literacy rated Massachusetts and 10 other states an F for having few or no requirements for personal financial education in high school. The [2018 Council for Economic Education Survey of the States](#) corroborated that data.

Young people today face more financial decisions at an earlier age, and poor financial decision-making can have dire lifelong consequences. Large student loan debt, credit card debt, and overspending are the norm for many young people in 2018. A recent [study](#) also shows young people have poor ability to understand and make decisions about risk and insurance. The consequences of overwhelming debt and poor financial decision-making can be grave, including a diminished ability to pursue educational, occupational, and residential opportunities; bad credit that results in a lifetime of higher interest rates; job loss; bankruptcy; and extreme psychological stress with physical and emotional consequences. For government and the business sector, the financial burdens of unemployment, loan default, uninsured and underinsured populations, and other consequences are massive.

On June 26, the Massachusetts Board of Elementary & Secondary Education ("DESE") unanimously adopted major revisions to the History/Social Studies curriculum frameworks which, for the first time, includes high school standards for financial literacy. Based on the [National Standards for Financial Literacy](#), the topics could be taught as a separate course or adapted for use in one of the following subjects: history or social science, mathematics, family/consumer science, business, or college/career readiness curriculum. Local school districts have great flexibility in implementation, which is due by the 2021-22 school year.

However, the new DESE frameworks provide no real guidance or standards for students in grades K-8. The only units in the current Massachusetts K-8 model curriculum are minimal references in pre-Kindergarten and Kindergarten and once in Grade 5. Our students need and deserve much more. A [Cambridge University study](#) shows that by age 7, most financial habits have been formed. [USA Today](#) reports that parents should talk to kids about money at age 12 or younger. So, let's get going.

[S2374, An Act Relative to Financial Literacy](#), was approved by the Committee on Education in January and the full Senate by a 37-0 vote on March 22. The bill is now before the House Committee on Ways & Means and would address this key deficiency by:

- Directing DESE to establish standards for **grades K-12** on personal financial literacy that shall cover at least 14 key topics, equipping students with the skills needed to be self-supporting and make critical decisions regarding personal finances.
- Encouraging local school districts to incorporate financial literacy into existing courses and class material.
- Charging DESE to provide guidance and resources to local schools regarding financial literacy curricula as well as professional development opportunities for teachers.
- Directing the existing financial literacy advisory committee to track and evaluate the development and implementation of the financial literacy standards, including the cost of providing these services during the 2018-2019 academic year.

Parents, educators, business and civic leaders, and graduating millennials all agree: It is **essential** for all our kids to have financial literacy to succeed in the challenging world today. Since S.2374 does not mandate new courses or classes, there is little additional financial burden to local school systems as each school district can incorporate these principles to meet their individual needs. DESE should be applauded for its action this June which began the process of instituting financial literacy standards for our high school students. Enacting S. 2374 would ensure that the basic and grade-appropriate financial education needed for young people's educational and career success will be provided on an equal opportunity basis and in the most effective way to all K-12 Massachusetts public school students.