Financial Literacy Requirement

Erin Alistar

The current requirements and curriculum presented in schools on financial literacy are not sufficient for student instruction. At the moment, from my experience as a middle schooler, the only financial literacy education I have received has been from a quarter-long class called careers, which shares time in between job opportunities, history, and financial decisions. Making such an important topic as Financial Literacy, which dictates the direction of a young adult's life, into a compact unit simply does not suffice. While this unit goes over the basics of budgeting and spending it nowhere near goes into enough depth. The new bill on Financial literacy will not only spend a longer time on subjects but also include new topics such as wealth accumulation, debt management, and investing. These topics were not even brought up in our classes even though they are essential. We have courses for almost every topic and interest but not one for such an important aspect of a student's future. The 6 key topics described in the bill all are essential to young adults' financial well-being. A large portion of students after high school will attend a form of higher education. The Bill specifies some support for understanding and making responsible loans. These loans are usually not favorable and many students later regret making the loan in the place they did or under the conditions they accepted. A more rigorous and in-depth financial literacy curriculum could help prevent these mistakes. Wealth management and investing are topics that students should absolutely know in order to help manage their financial health and stress. Knowing how to take risks and invest is crucial. Just as students may regret student debts, investments and risks go the same way. How should a student fresh out of school know whether a contract or loan is favorable? The benefits of including this class far outweigh the costs. In the bill overview we are looking at full flexibility of implementation on the local level and on the state level 2 million dollars for textbooks which can be used for the next decades. In a study by Tim Kaiser and Lucas Menkhoff regarding the correlation between Financial literacy education and a students' future, they found that financial literacy education leads to higher credit scores, lower delinquency rates, and smarter loan taking. We can reach these positive effects with a 1-semester class. The knowledge which we can provide students and the risk they can avoid throughout their lives justifies this spending. I would also like to bring up the change from.5 to 1 health credit mandated to graduate from high school. Previously, PE and health complemented each other into a full-year period. Now that Health requires two semesters, financial literacy may complement health in this time block and resolve an impending scheduling issue. Students also often complain about the lack of real-world content and here we have an opportunity to provide students with an engaging and helpful class that would resolve many issues students may face down the road. In conclusion, Financial Literacy instruction in our state is not sufficient in its length and content. An introduction of a new financial literacy graduation requirement would ensure that students understand how to manage financial stress, make responsible financial decisions, solve a scheduling issue, and provide students with engaging real-world content.