



Model Legislation

A bill to be entitled

“An act establishing a stand-alone personal finance course as a condition of high school graduation.”

Be it enacted by the Legislature of the State of _____:

Section 1. The Legislature finds and declares all of the following:

- a. 43% of United States adults are considered financially illiterate.
- b. Americans hold \$14.9 trillion in debt, with the average U.S. household owing \$145,000.
- c. High school seniors nationwide scored an average of 59.6% on a financial literacy exam.
- d. 33% of American teens are concerned that they don't know enough about how to manage money.
- e. Only 16% of Americans from ages 18 to 26 are “very optimistic” about their financial future.
- f. 41% of parents believe it's important to talk with their kids about money, but are reluctant to have those conversations.
- g. Four out of five adults say they were never given an opportunity to learn about financial education.
- h. 76% of Millennials lack basic financial knowledge.
- i. Students from states with a required personal finance course have higher credit scores and lower loan delinquency rates post-graduation.
- j. 97% of teens think financial literacy is important and expressed concerns about being written off by traditional banks.
- k. 84.5% of Americans responded "Yes" or "Definitely Yes" to the question, "Do you think high school students should take personal finance courses in high school?"
- l. Students whose home states required financial education courses were found to be more likely to save, less likely to make late credit card payments, and more likely to take on a healthy amount of financial risk.
- m. Financial literacy includes the knowledge, understanding, skills, and behaviors that enable students to make responsible and effective financial decisions on a daily basis.
- n. The teaching of financial literacy skills empowers students with the tools they need to enter a globally competitive workforce and contribute as productive citizens.

Section 2. Beginning with the entering ninth grade class of the ____ - ____ school year, each public high school student shall be required to earn at least one-half credit in a personal finance course as a condition of high school graduation.

Section 3. Personal finance course instruction shall include, but is not limited to:

- a) Capitalism
- b) Financial decision making
- c) Behavioral finance
- d) Psychology of Money
- e) Financial conversations (how to)
- f) Negotiation skills
- g) Personal living and finance, including budgeting and household management c. Saving and financial investment
- h) Banking and financial services
- i) Career management and employment
- j) Loans and borrowing money
- k) Credit management
- l) Insurance
- m) Taxes
- n) Economic value of postsecondary studies, including student loans and FAFSA
- o) Retirement planning
- p) Financial goals
- q) Consumer rights and responsibilities

Section 4. The personal finance course shall be a stand-alone course, not combined with other subject matter. The course shall be at least a one-half credit course and shall be offered in Grades 10, 11, and/or 12 at each public high school.

Sources of data used in model legislation:

https://gflec.org/wp-content/uploads/2015/11/3313-Finlit_Report_FINAL-5.11.16.pdf?x37292
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