



# Maine Credit Union League

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Neither for Nor Against LD 1284

## ***An Act to Require Personal Finance to be Taught as a Separate Course to Obtain a High School Diploma***

Joint Committee on Education and Cultural Affairs

May 10, 2023

Good Afternoon, Senator Rafferty, Representative Brennan, and distinguished members of the Committee on Education and Cultural Affairs,

My name is Krista Simonis and I am the Director of Governmental Affairs at the Maine Credit Union League. The Maine Credit Union League is the trade association for Maine's 50 credit unions and over 725,000 members statewide. We respectfully submit the following testimony **neither for nor against LD 1284**.

While we recognize the challenges in mandating additional requirements for public schools already straining for resources, we strongly believe financial education is key to a successful future. Providing education, training, and information is one of the cooperative principles at the core of the credit union movement's identity. That is why, since 2004, we have been putting on Financial Fitness Fairs for students and adults throughout the state. Since the program's inception, more than 70,000 students have had the chance to go through this supplementary curriculum and walk through a simulated career, budget, and credit score.

Additionally, we believe financial literacy is a key component in achieving our long-term goal of ending hunger. As part of the Campaign for Ending Hunger, which raised over \$1 million last year, we are working with community partners to distribute financial educational resources in several languages to food pantries. Stopping food insecurity and achieving financial wellness starts with a balanced budget.

Research from the National Financial Capability Study supports these beliefs. In their study, those individuals with higher financial literacy were more likely to make ends meet, spend less of their income, save more for emergencies, and plan for retirement. At its best, financial education should be used to help students learn to break the cycle of poverty.

Prior to joining the League, I worked for a high school in the state. Students who had a chance to take the Personal Finance course offered by the school frequently spoke of how valuable it was to them. Others who had learned more in other courses about compound interest and investing were excited by the opportunity to save money so that their money could make money. I had students ask questions about what to do about overdrafts, how to get a car loan, and what they needed to open a savings account. These are important life skills that are needed in order to become successful adults.

We often think of the disparities in education in terms of reading, math, and science, but disparity in financial education has a real impact on student success' later in life and can



worsen existing inequities. Not every student lives in a home where savings, budgeting, and check writing is taught.

The Maine Credit Union League has been a recipient of the national Desjardins Award for Youth Financial Education for a record 18 consecutive years. We will continue our efforts to provide financial education and curriculum resources, and we are glad to see the committee consider this important topic. While we are in favor of financial education for all, we recognize the challenges of a mandate and have no official position at this time. We hope to be considered as a resource as the committee deliberates.