



**Testimony by Martha Johnston
Director of Education, Finance Authority of Maine**

Neither For Nor Against L.D. 1284

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

May 10, 2023

Joint Standing Committee on Education and Cultural Affairs

Senator Rafferty, Representative Brennan, and Distinguished Members of the Joint Standing Committee on Education and Cultural Affairs

My name is Martha Johnston. I am the Director of Education at the Finance Authority of Maine (FAME). I live in Portland and am here to testify Neither for Nor Against L.D. 1284, *An Act to Require Personal Finance to be Taught as a Separate Course to Obtain a High School Diploma*.

This bill provides that the current high school diploma instruction requirement related to personal finance in statute must be met through a stand-alone course. While we believe this is a policy decision best left to the Legislature and Administration in consultation with schools, teachers, parents, and students, FAME strongly believes that all students in Maine should have equal access to high-quality financial education prior to graduation.

According to the 2021 FINRA Foundation National Financial Capability Study State-by-State survey, only 20% of Maine adults reported that they received financial education in school, college, or the workplace. FAME believes that financial capability is the foundation that ensures a successful and prosperous future for Maine people and is critical to ensure the success of Maine's future workforce and economy. Maine will not achieve these goals with only 20% of Mainers having access to financial education.

For nearly a decade, FAME has offered extensive financial education resources and financial wellness outreach to Maine students, families, and educators. As you know, we help Maine businesses grow and support Maine people in affording higher education through our financing and other programs such as grants, loans, and student loan forgiveness and repayment. We have expanded our financial wellness efforts and outreach in recent years, including free online financial education resources, classroom games and curriculum, employer financial wellness programs, in-person events and

outreach to Maine schools. We are also a foundational supporter of the Maine Jumpstart Coalition for Personal Financial Literacy, an organization which has provided training and professional development to Maine teachers for over fourteen years. Our efforts are designed to help Maine people build lifelong financial capability and to support them in making informed financial decisions, so they are more economically secure throughout their lives.

The motivation behind our financial education expansion stems from our experience counseling thousands of students and families as they navigate both the higher education financing and loan repayment process. Through this work, we understand all too well the complex financial decisions that Maine students must face in meeting the costs of higher education, and the equally devastating results when they are not fully educated and informed when borrowing. Plainly stated, we see the impact of a lack of financial education on a daily basis in our work at FAME and, while we offer extensive resources to help Mainers build financial knowledge, it is simply not enough. Financial wellness and financial capability are significant and critical levers a family can pull as it relates to affording education after high school including making the decision to save early for college.

Thank you for your consideration of my comments. I will be happy to answer any questions you have.