



**Public Testimony to Standing Committee on Education & Cultural Affairs**

In Support of LD1284, *An Act to Require Personal Finance to be Taught as a Separate Course to Obtain a High School Diploma* from Christian Sherrill, Next Gen Personal Finance and NGPF Mission 2030 Fund

*Wednesday, May 10, 2023*

Senator Rafferty, Representative Brennan, and esteemed members of the Standing Committee on Education and Cultural Affairs,

Thank you for the opportunity to testify in support of LD1284, *An Act to Require Personal Finance to be Taught as a Separate Course to Obtain a High School Diploma*

My name is Christian Sherrill. I'm a former teacher whose own financial education started too late when I ran out of money in my twenties. It turns out an entry-level teachers' salary doesn't hold up very well to nearly \$100,000 in student loans I took on as a teenager. Unfortunately, my story is far from unique, but fortunately, there's something we can do about it, and that something is LD1284.

After plenty more money mistakes and lots of good luck, I am now a proud representative of the NGPF Mission 2030 Fund, which is affiliated with the nonprofit Next Gen Personal Finance. Over 80,000 teachers, including over 900 inspiring educators here in Maine, trust NGPF's free personal finance curriculum to empower their students with financial skills to thrive in the real world.

I urge you to consider the daunting mix of financial hurdles that young Mainers face, from traditional challenges like student loan decisions and credit card and auto loan pitfalls to emerging trends like buy now pay later or cryptocurrency speculation spreading on social media. Students need to rehearse financial decisions in high school, before they face them in the real world, where the consequences are considerably more costly.

This need has led to a surge in the demand for Personal Finance courses, causing an increase in the number of states with standalone personal finance graduation requirements to grow from 8 to 19 in the past two years alone, with 32 states introducing bills to expand access so far in 2023. Mainers are demanding this course

too In an April poll, 83% of Maine voters, regardless of political affiliation, said they think personal finance should be a standalone graduation requirement for all high school students in the state

Research supports their wishes, showing that students who take a required standalone personal finance course build higher credit scores, borrow less and at lower interest rates for school, and avoid predatory lenders more than their peers without the course These benefits do not exist for students in states in which financial literacy requirements are embedded within other courses Only an average of 43% of students receive any financial education at all in those states When state policy leaves students' financial education up to the zipcode in which they attend high school, the result is a patchwork of unequal access

Maine has a good start, with 15% of high school students already guaranteed to take a standalone personal finance course to graduate LD1284 builds on this foundation and closes the gap such that all Maine high schoolers are guaranteed to take this course

Of course, local control is a bedrock principle of American education, particularly here in Maine So how can we square the circle? How can Maine's education system meet the needs of all its high school students while honoring local control? By keeping the language straightforward and flexible, LD1284 maintains local decision-making around (1) the curriculum used to teach the course, (2) the existing graduation requirements the course can fulfill, and (3) the teacher licensure for the course Similarly flexible bills have been signed into law with overwhelming bipartisan support in states with similarly proud traditions of local control

Upon passage, this legislation already has strong statewide and national coalitions of no-cost implementation partners, including the Maine Jump\$tart Coalition with 14 years of professional development and advocacy and NGPF with 9 years serving teachers in Maine Notably, all of the best curriculum materials and professional development for this course are free The aforementioned flexibility also means the impact on hiring

I urge you to recommend LD1284 to pass in the upcoming work session Thank you again for the opportunity to provide testimony in support, and for your public service on behalf of Mainers

## Evidence that Financial Education Improves Behavioral Outcomes

To demonstrate FinEd's impact on:	Use this study:
a) Credit behaviors	<a href="#">The Effects of K-12 FinEd Mandates on Student Postsecondary Education Outcomes</a>
b) Financial knowledge and behaviors	<a href="#">Does Fin Ed Impact Financial Literacy and Financial Behavior, and if so, when?</a>
c) <b>Financial knowledge and behaviors (largest meta-analysis to date)</b>	<b><a href="#">Financial Education Matters: Testing the Effectiveness of FinEd Across 76 RCTs (2021)</a></b>
d) Likelihood & frequency of payday borrowing	<a href="#">Does State-Mandated Financial Education Affect High-Cost Borrowing?</a>
e) Retirement Savings	<a href="#">Retirement Savings with School-Based FinEd</a>
f) Wealth gaps & inequality	<a href="#">Optimal Financial Knowledge and Wealth Inequality</a>
g) Parents' financial behaviors (Trickle Up)	<a href="#">The impact of high school FinEd: experimental evidence from Brazil</a>
h) Student loan repayment	<a href="#">PF Education Mandates &amp; Student Loan Repayment</a>
i) Domestic violence prevention	<a href="#">Can Financial Literacy Reduce Domestic Violence?</a>

## Evidence-Based Policy & Implementation Resources

If I Need:	Here's an Evidence-Based Policy Resource
a) a comprehensive strategy to impart personal financial management skills in school	<a href="#">Transforming the Financial Lives of a Generation of Young Americans</a>
b) to show how financial capability must be woven into the fabric of our lives	<a href="#">Final Report - President's Advisory Council on Financial Capability</a>
c) to show standalone FinEd courses are more effective than embedding	<a href="#">Financial Capabilities of College Students from States with Varying FinEd Policies</a>
d) <b>to show fewer than 1/2 of schools in states with embedded PF actually teach it</b>	<b><a href="#">Financial Education in HS Across America (2022)</a></b>
e) survey data from over 5,000 young adults	<a href="#">Financial Literacy Subject Survey</a>
f) an expertly vetted summary of research	<a href="#">A review of youth FinEd: Effects and Evidence</a>
g) to show in-person FinEd outperforms online	<a href="#">Digital vs. in-person financial ed: What works?</a>
h) <b>to share best practices in financial education policy implementation</b>	<b><a href="#">Best Practices Implementing Financial Education in High Schools (2022)</a></b>

# Commentary: A thoughtful approach to personal finance starts young

[www.centralmaine.com/2023/04/26/commentary-a-thoughtful-approach-to-personal-finance-starts-young-2/](https://www.centralmaine.com/2023/04/26/commentary-a-thoughtful-approach-to-personal-finance-starts-young-2/)

By David Libby

April 26, 2023



When I was growing up, some of the most effective financial lessons I learned were the lessons that were personal to me. It was great hearing stories about money management, but the opportunity to experience something on a personal level had the most impact.

April is Youth Financial Wellness Month, and it represents an opportunity to share advice with the next generation of consumers and, on a deeper level, create opportunities to make financial wellness personal.

## ABOUT THE AUTHOR

David Libby is president and CEO of Town & Country Federal Credit Union, Maine's second-largest credit union.

Expecting anyone, especially a child or young adult, to relate to a money experience from the past is challenging at best. We live in an "instant gratification" and an "instant learning" environment. If we can take this approach to financial wellness when it happens and make it

an “on-the-spot” teachable moment, there is a much higher likelihood of it resonating

Too often, we focus too broadly on concepts and expect children to understand what we mean

How can we expect a child to understand concepts like credit and debit when we don't take the time to explain it?

As a parent, taking the time to explain to kids that when you “charge it,” you need to either have money in your account to cover the charge immediately or eventually are responsible for paying it back, it can go a long way in helping them to understand the concept

If you and a teenager are shopping, you can go a bit more in-depth, discussing how much you have available to spend because that's what you have in your account. If something costs more than you have, you don't buy it and you find something less expensive. If you're using a credit card, inserting the caveat of, “I need to pay this purchase off when my bill is due,” can help keep things in context and set some good habits to model.

If you and a younger child are going to get ice cream, try saying you only have \$10 on your debit card to spend. Take the time to review the menu and the associated prices and decide together what you can afford. Keep it simple and don't try to inject multiple concepts into one transaction as it can be overwhelming. Making it personal can go a long way in helping a child or young adult better understand some relatively simple money management skills.

Some other ways to make financial wellness learning personal to your children include posting the budget on the refrigerator to remind everyone of the family's goal, creating a family savings challenge, involving weekly competitions to see who can find the best price on groceries or other household needs, and involving older children in conversations about planning and saving for higher education.

Another component of building and maintaining strong financial wellness skills and habits is the role that research can have in making sound financial decisions.

Most major financial decisions that adults make (paying for college, owning a home, planning for retirement) require them to gather information through thorough research, use the information to consider trade-offs and act on that information in a way that serves their life goals. Helping young people build financial research skills means equipping them with the knowledge and skills they need to find and evaluate relevant financial information and helping them develop mental “guideposts” so they can recognize situations in which they should seek out additional information (case studies can encourage teenagers to check their budget and comparison shop before purchasing an expensive item).

Creating personal learning opportunities for kids and young adults may take more time, but it is time well spent

[« Previous](#)

[Commentary Support child care staff – the workforce behind Maine’s workforce](#)  
[Next »](#)

[Commentary EPA’s electric vehicle plan would hurt working-class car buyers](#)

© 2023