

Written Testimony by Susan Lamoreau  
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**In Support of 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 background is as a business education teacher for 36 years for the Sanford School Department. Twenty eight years of those years were in the high school and the past eight years have been in the technical center where I reach students from eight partner schools from the southern part of Maine.

With my experience, I strongly believe that students need exposure to financial literacy early in life. Then as they progress to their junior and senior year where they can actually see and relate to its impact, this is where it needs to be taught to ALL.

Budgeting isn't only about finance, it teaches self-discipline, how to save money, and how to take control of spending. Planting this seed by showing them how to budget is important in helping them make educated financial decisions that will benefit both their short-term as well as their long-term goals.

Some students go on to college, some take off for the military while others enter the workforce immediately out of school. No matter what path they take, having these skills in their back pockets can save them from making financial missteps that can impact their future.

Being a business major, I had the full gamut of business courses to prepare me for teaching. The one course I did not have was personal financial literacy. Yes, I could balance my checkbook, put money in a savings account and know the importance of paying my bills on time, but I was never taught the impact of credit.

It was at a time when credit cards were given to college students without a second thought. I was one of those students who took advantage of getting that first credit card. Being a responsible person, I immediately gave it to my mother and said do not let me have access to this until the second semester of my senior year in college. And that's exactly how it played out.

Second semester of my senior year arrived and it was time for “Spring Break.” I asked my mom for my credit card knowing full well that I would soon be a “rich” teacher making tons of money in just a couple of months. Off I went on vacation with a group of my college friends to Florida with credit card in hand. What a great time I had sparing no expense knowing I would soon be making those payments after attaining that first teaching job.

To me, I was what I thought was a responsible credit card holder. I was getting my bill and making my minimum payment on time. I was finding new needs that I did not have immediate cash for, such as getting a new wardrobe for teaching and equipping a new apartment. The more I used my credit card and raised that balance, the credit card company would send me a congratulatory letter upping my credit limit. Still being the responsible person I was, I continued to make those minimum payments even though they were getting a little higher as my balance was increasing.

It wasn't until I was over \$10,000 in debt (with a first-time annual salary of \$15,600) that I realized, I was not paying down my debt. I simply did not do the math to see what my true cost of credit was at that time. I don't even remember what the interest rate was because at the time, I didn't see what the impact would be. I was just paying more and more and getting further and further behind. It seems so simple, but it is a trap that so many fall into in life because they are not educated on the importance of using credit wisely and the cost of credit overall. It was probably my toughest lesson in life and one that I bring back to the classroom each and every year.

Throughout my years of teaching, many students have returned advising me that they learned more in my personal finance class than they did later on in college and how it has helped them to stop and make sound financial decisions and has impacted their lives.

More than anything, finances impact everyone. Financial literacy is empowering for our youth and is an important building block for their future success. Maine has the opportunity to invest in their children's future by supporting LD1284, An Act to Require Personal Finance to be taught as a Separate Course to Obtain a High School Diploma. I ask that you support this bill to be enacted so the students of Maine can leave high school better equipped to make sound financial decisions about their future.